The Global Newspaper
Edited and Published in Paris
Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo.

International Herald Tribune

Published With The New York Times and The Washington Post

Airline Copy
NOT FOR RESALE

No. 32,984 10/89 **C PARIS, SATURDAY-SUNDAY, MARCH 11-12, 1989 ESTABLISHED 1887

February Jobs Data Signal Fast Growth In U.S. Economy

By John M. Berry
Washington Post Service

WASHINGTON — The U.S. economy continued to zip along in February, churning out 289,000 new payroll jobs and knocking the civilian unemployment rate down to 5.1 percent, the lowest level in almost 15 years, the Labor Department reported Friday.

Coming on the heels of a 415,000 increase in new jobs in January, some analysts predicted the report could cause the Federal Reserve to raise short-term interest rates again, since its efforts so far have done little to slow the economy.

Other analysts said the central bank, which has raised key short-term rates by nearly 1 percentage point in the past two months, will wait for a while to see the impact of the earlier rapid increase in rates.

Investors, worried by the prospect that continued strong growth will add to inflation pressures and by the possibility that the Fed will further tighten its squeeze on money and credit, reacted negatively. Interest rates rose across the board after the report, as did the dollar, while the Dow Jones industrial average fell 9.29 points to 2,282.14 at the close.

The dollar jumped on the U.S. jobs report. Page 11.

The 5.1 percent seasonally adjusted unemployment rate for February, the lowest since a similar rate in May, 1974, was down from 5.4 percent in January. The rate had slipped to 5.3 percent in October and December.

Janet L. Norwood, commissioner of labor statistics, cautioned that the decline in the unemployment rate could be reversed, since a significant portion of it involved groups whose jobless rates can be volatile.

For instance, a sharp drop in unemployment among workers of Hispanic origin, from 8.4 percent to 6.8 percent, accounted for about two-fifths of the drop in the national rate, she told the Joint Economic Committee.

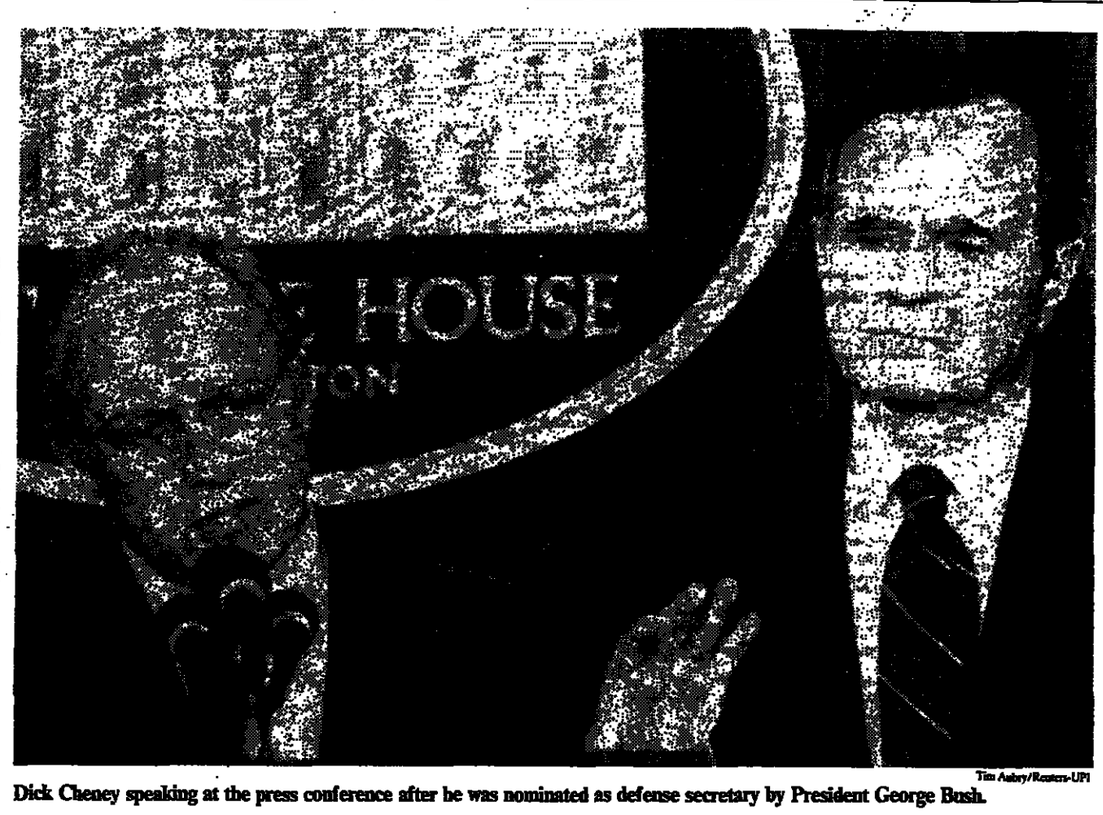
But other parts of the report tended to confirm that the gains were real, she added. The average length of a spell of unemployment fell from 12.7 weeks to 12.1 weeks last month and the median duration slid from 5.7 weeks to 5.3 weeks. The latter figure means that half of all unemployed workers have been without a job for less than 5.3 weeks, while the other half have been without work longer than 5.3 weeks. For both these measures, the February levels were the lowest since 1980.

Meanwhile, of the 6.238 million people looking for work but unable to find jobs, only 10 percent had been out of work for more than six months, down from 11.1 percent in January.

"It was a good deal stronger report than I expected," said Lyle Gramley, chief economist of the Mortgage Bankers Association. "I have been arguing that the economy will slow down, probably in the second quarter," he said. "This report shakes me a bit."

Long-term rates, which have a much greater influence on business investment decisions and on housing purchases and construction, have risen far less than short-term rates.

"The American home buyer is not really getting the effect of this tightening by the Fed," Mr. Gramley noted. "Mortgage rates have increased only a little."



Tim Aubry/Reuters-UPI

Dick Cheney speaking at the press conference after he was nominated as defense secretary by President George Bush.

Bush Selects Congressman, Dick Cheney, For Pentagon

Compiled by Our Staff From Dispatches

WASHINGTON — President George Bush, moving swiftly to recover from the Senate's rejection of John G. Tower as defense secretary, said Friday he would nominate Representative Dick Cheney of Wyoming to head the Pentagon.

Mr. Bush hailed the six-term congressman as a "widely respected man of principle" who has served the country with distinction.

The selection marked the first time that Mr. Bush asked a sitting House or Senate member to serve in his administration, something he had said he would not do.

Mr. Cheney, 48, was chief of the White House staff during the administration of President Gerald R. Ford, and has served in the House since 1978. He is the No. 2 Republican in the chamber.

Mr. Bush said at a White House news conference that his aides had conferred with the Senate Democratic leadership about the nomination, and he indicated that he did not expect any problems in Mr. Cheney's confirmation.

Senator Bob Dole of Kansas, the Senate minority leader, said of Mr. Cheney just before Mr. Bush announced the nomination: "He's tough; that's what we wanted, a tough, tough, tough guy. I think it's good. He has a lot of experience."

Referring to his complaints over the process by which the Senate rejected Mr. Tower, Mr. Dole said, "This time it will be a confirmation, not an execution."

Mr. Bush made no direct reference to the struggle over Mr. Tower as he presented his choice. But he said, "Look, that's history" when asked later about it.

"As of today, Dick Cheney is the best and proper choice," the president said.

The first question put to Mr. Cheney on Friday when Mr. Bush introduced him was about his health.

Mr. Cheney suffered heart attacks in 1978 and 1984. He underwent heart bypass surgery in August 1988 after a third attack. He returned to work three weeks later.

He said he had checked with his cardiologist before accepting Mr. Bush's offer of the appointment, and was assured that his health posed no barrier.

Mr. Bush praised Mr. Cheney as someone who had struggled with a budget, become familiar with defense issues as a member of the Permanent Select Committee on Intelligence, knew the topics of arms control, strategic defense policy choices and Central American policy.

"He's a thoughtful man, a quiet man, a strong man," Mr. Bush said.

Mr. Cheney said he was delighted. He said Secretary of State James A. Baker 3d and Brent Scowcroft, the national security adviser, were old friends.

"I am glad to be part of the team and eager to get to work," he said.

Mr. Cheney was born in Lincoln, Nebraska, and attended elementary and high school in Casper, Wyoming. He went to Yale got a master's degree at the University of Wyoming and worked on a Ph.D. at the University of Wisconsin.

His first Washington experience

See CHENEY, Page 5

U.S. Offers Third World Debt Plan

Compiled by Our Staff From Dispatches

WASHINGTON — The Bush administration, responding to growing instability in Latin American countries straining under heavy debt loads, on Friday unveiled a new strategy emphasizing debt reduction to deal with the problem.

The new approach was outlined in a major policy address by Treasury Secretary Nicholas F. Brady, who called for a "great cooperative effort" among all nations to resolve the debt crisis which has occupied the world for the past seven years.

Japan, which has been seeking a way to use its vast financial resources to help solve the Third World debt problem, immediately praised the plan and pledged its financial support.

"Our objective is to rekindle the hope of the people and leaders of debtor nations that their sacrifices will lead to greater prosperity in the present and the prospect of a future unclouded by the burden of debt," Mr. Brady said.

The plan envisages establishing pools of money from existing resources of the 151-nation World Bank and its sister organization, the International Monetary Fund, and using them to reduce debt and guarantee interest payments of debtors.

The pools of money could be used to collateralize debt for bond exchanges that would involve a significant discount on outstanding debt, Mr. Brady suggested.

The administration plan is a response to critics both in debtor nations and major industrialized countries who have been calling on the United States to go beyond the debt policies of the Reagan administration and the then Treasury Secretary, James A. Baker III.

The so-called Baker plan, un-

See BRADY, Page 15

Egypt Said to Move Ahead on Poison Gas

By Michael R. Gordon and Stephen Engelberg
New York Times Service

WASHINGTON — Egypt has made a major effort to improve its ability to produce poison gas by acquiring the main elements of a plant from a Swiss company, Swiss and U.S. officials say.

The Egyptian effort poses a difficult test of the Bush administration's desire to combat the spread of chemical weapons.

A senior administration official said the administration's efforts to stop the proliferation of chemical weapons applies to all nations, not just countries like Libya and Iran with whom the United States has had hostile relations.

But the official also called Egypt a "pivotal country in the region." The administration has not yet decided how to handle the issue in a nation that would play a central role in U.S. efforts to encourage a peace settlement in the Middle East, the official said.

According to Swiss and U.S. officials, the main elements of a plant that can be used to make poison gas were delivered to Egypt by Krebs AG, a concern based in Zurich.

Swiss and U.S. officials said they believed the plant would be installed at Abu Zaabal, north of Cairo, and is part of a military-industrial complex that is also scheduled to someday include a joint Egyptian-American plant for assembling the M-1 tank.

A Swiss Foreign Ministry official said his government had "reason to believe" that the plant was intended to make poison gas.

He declined to provide details, citing the need to protect intelligence sources. Some experts believe the new plant would be used to make Sarin, a nerve gas.

The Swiss official said the state secretary in the Swiss Foreign Office, Klans Jacobi, had sent a letter to Krebs last week demanding that the company sever its relationship with the project.

The Swiss official said his government took the action after Egypt declined to provide assurances that the plant would be used for civilian purposes. He said Egypt declined to say which chemical would be produced at the plant.

[In Brussels, President Hosni Mubarak of Egypt denied his country is assembling Swiss-made parts that could be used to create a chemical weapons plant at Abu Zaabal, The Associated Press reported.

["This is the first I've heard of it," Mr. Mubarak said. "We are against chemical weapons and, of

See EGYPT, Page 5

After Tower Struggle, Will Scars Mar Bush's Four Years?

By Dan Balz
Washington Post Service

WASHINGTON — Talk of bipartisanship collided with the reality of a divided government in the fight over the confirmation of John G. Tower, leaving President George Bush and the Democratic-controlled Congress with no clear path to a productive relationship in the months ahead.

For the president, said Stuart E. Eizenstat, who was President Jimmy Carter's chief domestic policy adviser, this defeat was part of the "price for not being able to convert his personal landslide into a party victory" in Congress.

Mr. Eizenstat believes that first impressions count. Perceptions of Mr. Carter's presidency, he said, were colored to the end by problems that arose during his first year in office, while a string of victories by President Ronald Reagan his first eight months enhanced his reputation for years.

If that is true, then the painful defeat

NEWS ANALYSIS

Mr. Bush suffered Thursday when the Senate refused to confirm Mr. Tower as defense secretary could have lasting implications for his presidency.

Some Republicans had Mr. Carter on their minds as they urged the leader of the majority Democrats in the Senate, George J. Mitchell of Maine, to take steps to patch things up between Senate Democrats and the Republican White House.

"I would hope that whatever happened to President Carter, no matter who is to blame for it, is not repeated with respect to President Bush," Senator John C. Danforth, Republican of Missouri, told Mr. Mitchell. "For one reason or another, the Carter administration came unglued. And I do not want that to happen to President Bush."

Mr. Mitchell replied by assuring Mr. Danforth that "this represents no effort to be harmful to the president or to disrupt what I hope will be a good working relationship."

This first major clash between Mr. Bush and the Democrats in Congress demonstrated that the political climate he has inherited differs substantially from that Mr. Reagan found eight years ago. And that suggests Mr. Bush will have to move even more carefully to get his way.

Where Mr. Reagan had control of the Senate because it then had a Republican majority and a working majority in the House, thanks to conservative Democrats, at the beginning of his presidency, Mr. Bush faces a Congress that saw the Democrats strengthened in the 1988 election.

Mr. Bush "misjudged his relationship" with the Congress, said Richard Moe, who was chief of staff to Vice President Walter F. Mondale during the Carter administration.

"In his desire to contrast his style with that of his predecessor," Mr. Moe said, "he's sought to build it all on personal relationships. But when it comes to an issue like this — or any other major issue — it's the fear factor that counts most. There's no fear factor with this president."

Mitchell Daniels, who served in the Reagan administration, said the new administration would "need to administer a little pain — never publicly — otherwise the Democrats will trample all over them."

Mr. Daniels said there was a "perma-

See BUSH, Page 5

Kiosk

Jetliner Crash In Ontario

TORONTO (UPI) — An Air Ontario jet carrying 69 people crashed into thick woods Friday shortly after takeoff from Dryden, in southwestern Ontario, and officials said there appeared to be only about 20 survivors.

The Fokker F-28 jet, carrying 65 passengers and four crew members, crashed about a half-mile from the end of the runway in Dryden, 100 miles (160 kilometers) north of the Minnesota border.

Reuters

Ahmed Jebril's Palestinian group says the U.S. envoys it held were carrying surveillance devices. Page 5.

General News

U.S. researchers scored a blow in the battle against the common cold. Page 3.

Business/Finance

Eastern Airlines hopes the U.S. bankruptcy code will allow it to trim operations and get back in the air. Page 11.

Dow Close
Down 9.29

The Dollar
In New York

DM	1.882
Pound	1.718
Yen	129.425
FF	6.315

Polish Pact Stirs Doubt Over Communist Rule

By John Tagliabue
New York Times Service

WARSAW — As the Polish Communist Party agreed this week to create an upper chamber of parliament, in free and open elections, some may have wondered whether the party was not preparing the first installment in its own graceful exit from the political stage.

Voting for the upper house is to be free, Solidarity says it was assured, and although seats in the lower house, or Sejm, are to be apportioned by prior agreement at the next elections in June — 65 percent to the Communists and their allied parties, 35 percent to the opposition — Solidarity let it be known that four years hence it would insist on free elections for the lower house, too.

Free elections for the upper house, or Senate, were conceded by the government in exchange for Solidarity's acceptance of a six-year presidency that would almost certainly fall to the present leader, General Wojciech Jaruzelski. The president's sweeping powers in foreign and military affairs would presumably assuage concerns that this liberal voting arrangement will

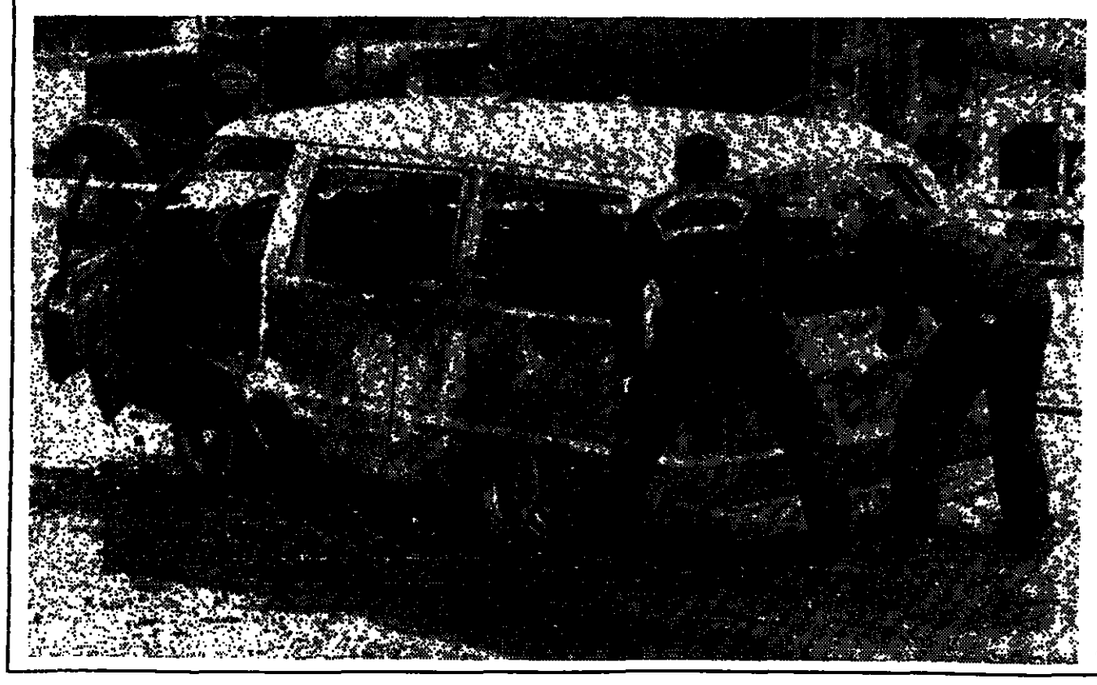
NEWS ANALYSIS

arouse among Poland's Warsaw Pact allies.

The whole package had one West European ambassador musing over a hypothetical situation four years from now in which an opposition-controlled parliament would be forced to share power with the Communist-appointed president, much along the lines of the political *cohabitation* of the Socialist president of France, François Mitterrand, with the conservative majority in the French National Assembly in the mid-1980s.

Diplomats and even some seasoned Communists pointed to the

See POLAND, Page 2



Wife of Skipper Of Vincennes Escapes Bomb

Police officers examining a van driven by Sharon Rogers, who escaped unhurt after a bomb destroyed the vehicle Friday in San Diego. She is the wife of Captain Will Rogers 3d, who commanded the guided missile cruiser Vincennes, which mistakenly shot down an Iran Air jetliner last year, killing all 290 aboard. No group has claimed responsibility for the attack. Security in San Diego-area naval installations was increased.

The Associated Press

Into the Albanian Time Warp, Armed With Soccer Balls and Potatoes

By Rob Hughes
International Herald Tribune

TIRANA, Albania — A window that has been shuttered to most of the world for 43 years, Albania opened itself this week to some 50 journalists accompanying England's national soccer team on a two-and-a-half-day visit.

The brevity of the stay was dictated by British suspicions about Albanian hospitality and comforts: The England team pronounced this a case of "last plane in, first plane out" and brought its own peeled potatoes to an agricultural country.

When the potatoes were unloaded at the airport, Albanian officials could only stand and stare. Indeed, people in general seemed to do an enormous amount of that, as if sighting aliens from another planet.

Perhaps the visitors represented just that. Albania's isolation and dedication to Stalinism appear to have produced a people curious about outsiders, quaint in a time-warped fashion, locked in an era before cars and computers ruled the pace of everybody else's lives. (Tirana must be the only capital on Earth where one can hear the water fountain from 50 paces away, hear the chatter and laughter and greetings between humans undrowned by engine noise.)

The abiding impression was of Albanians as unworldly although anything but unfriendly.

There were constant, unsubtle attempts by the Albanian Foreign Office to fill the visitors with a surprising richness of local produce and wine and to stuff them to the bloating point with propaganda.

While sportswriters are hardly the best messengers for government-to-government dealing, Ilia Zhulati, a Foreign Office press official of deadly solemnity, took the microphone on bus travels and bent our ears during private dinners to spell out the gamut of Albanian policy toward any and every nation.

Comrade Zhulati, 41, represented the unyielding nature of the Albanian life force. "I cannot in two and a half days make you a communist," he said. "But you cannot change me either. You cannot convince me Stalin was bad or Hoxha was not a great man."

Albania's survival on its own terms is the product of a people's will to go it alone in this Balkan republic of three million people (with some two million more in the southern Yugoslav province of Kosovo and another million ethnic Albanians in Turkey, the Soviet Union and the United States).

It occurred even to sportswriters that our presence — after previous visiting teams had been shorn of accompanying reporters or fans — had ulterior purposes. Not the least of these may be that Albania is preparing to court new trading partners.

Perhaps, too, it is hoping to launch a major tourist industry. The country has 270 miles of Adriatic coastline and new, enormously expensive museums and cultural buildings in the capital. They cannot have been built merely to enrich the populace, most of whom have no transport across their vastly mountainous landscape. More logically they are meant to lure Western currency, just as the few trinkets in two Tirana tourist shops are for sale for dollars, not Albanian leks.

Visitors quickly glimpse the country's mixture of harsh insularity and unmolested self-sufficiency: Our charter plane glided down over snow-capped mountains and there, just off the runway, were anti-aircraft guns and grazing sheep.

Tales of endless body searches, of confiscation of such publications as Harpers & Queen, Vogue and the International Herald Tribune were wafted aside by the most cursory of baggage checks.

Mercedes-Benz buses, although more basic than those in the West, waited and with them Mercedes jeeps crammed with plainclothes police escorts. Nearby stood a posse of 15 or so small boys and men wanting to exchange cigarettes for soccer team badges.

On the road we were immediately held up behind donkey carts. Women were sowing in the fields and tilling by hand. Barren foothills were speckled with military pillboxes, like concrete mushrooms, reminding us or reminding Albanians of the perceived threat of invasion.

The Hotel Tirana, new and modern, stands over the city's main square, a 100-room palace compared with the British horror tales of austerity. Its rooms have modern showers and toilets and Philips television sets that work.

We settled in during a broadcast of English lessons, couched in 1950s simplicity. From the window, the square below, scrupulously clean of litter, was full of people milling around on foot or bicycles.

Leaving the hotel alone at night, a visitor noticed hundreds of youths and men just stand-

See ALBANIA, Page 5

In Ukraine, the Nationalist Challenge Awakens

By Bill Keller
New York Times Service

LVOV, U.S.S.R. — Ukrainians by the millions turned on their televisions the other night to witness a wondrous sight, a popular Ukrainian literary critic in fiery debate with a senior ideologist from the republic's Communist Party.

The issue was a recent move by the Ukrainian Writers Union to organize an independent political movement similar to the popular fronts that have attracted mass support in the Baltic republics.

Viewers rendered a split decision on who prevailed in the confrontation. But it signified an important awakening in the second-largest republic of the Soviet Union.

After a period of deceptive quiet, the intellectual establishment in the Ukraine has ventured into open conflict with the Communist Party. At the same time, Ukrainian nationalism — or patriotism, as its adherents prefer — is becoming respectable.

Such a rise of nationalism, especially in the Ukraine, the country's breadbasket and industrial engine, is surely among the major concerns of the Soviet leader, Mikhail S. Gorbachev.

"Here we're not talking about 1.5 million people, as in Estonia, but 50 million, a nation the size of France or Italy," said Bogdan N. Gorin, a leader of the Ukrainian Helsinki Association, a dissident human rights group.

"We think the question of the Soviet Union, whether it survives or not, will be resolved not in Estonia but in the Ukraine," he added.

Many in the republic believe this was the major reason Mr. Gorbachev conducted a five-day tour of the Ukraine late last month.

'We think the question of the Soviet Union, whether it survives or not, will be resolved not in Estonia but in the Ukraine.'

Bogdan N. Gorin, a human rights activist.

NYT

A trip in Mr. Gorbachev's footsteps — from Kiev, the capital of the republic, to the cultural center of Lvov in the west and the industrial city of Donetsk in the east — found that rivulets of discontent have begun running together into a rising stream.

From the Kiev taxicab driver who introduced himself as "a Ukrainian, and a nationalist," to the carefully worded calls for greater autonomy embodied in the platforms of seemingly establishment candidates in the current election campaign, one finds that the caution that prevailed a year ago is dissipating.

In the last few months, movements for environmental protection, for promotion of the Ukrainian language, for honoring the victims of the Stalinist era and for the legalization of the outlawed Uniate Catholic Church have shown signs of vigor.

The Uniate Catholic Church is an Eastern rite church in communion with Rome.

All seem likely to align themselves with the writers' new Popular Movement in Support of Perestroika, called the "Rukh" in Ukrainian, which advocates greater political and economic autonomy from Moscow.

Spreading from Lvov, the center of ferment, to the more establishment intellectual circles of Kiev, those movements are being drawn together by several factors. These include the example of the Baltic republics, the sense that Vladimir V. Shcherbitsky, the Ukrainian party leader, is slipping from power, and an election campaign that has encouraged people to come out and defend themselves.

One tributary of the growing nationalism is the Ukrainian language society named for Taras Shevchenko, the Ukrainian national poet, which started in Lvov and where it now claims 10,000 members. It promotes a revival of the Ukrainian language and literature.

The Ukrainian authorities must also be concerned about recent signs of cooperation between the Uniate Catholics and Ukrainian Orthodox believers.

Both groups have strong grievances. The Uniates, banned for nationalist tendencies, want legalization and the return of former Catholic churches that were handed over to the Russian Orthodox Patriarchate in Moscow.

Ukrainian Orthodox believers want the right to hold services in their language. Some favor the creation of a separate Orthodox denomination independent from Moscow.

Another important development has been the creation of the Rukh, the popular movement seeking to unite the various strains of Ukrainian patriotism — religious and cultural, dissident and establishment — under a flag of greater independence for the republic.

The group's draft platform is a more cautiously worded version of the national front declarations that have rallied mass support in the Baltics.

It calls for Ukrainians to control their natural resources and industry, for religious and political diversity and for a halt to Russification, which the platform describes as "the raising of little Ivans who don't remember who their kin are."

The group does not favor secession from the union, and it is careful to present itself as a supporter of Mr. Gorbachev's economic and political policies.

Unlike the Baltic popular fronts, the group's platform diplomatically "acknowledges the leading role of the Communist Party."

But the Ukrainian Communist Party has used its newspapers and officials to wage a fierce campaign against the group, variously playing it down as the work of literary dilettantes and denouncing it as a dangerous rival.

The hard line of the Communist leadership is one reason the rise of Ukrainian self-consciousness has been slower than the surge of nationalism in the Baltic republics.

Many remain intimidated by memories of how the last flowering of Ukrainian cultural nationalism was put down by the Kremlin under the leadership of Leonid I. Brezhnev and his chief ideologist, Mikhail A. Suslov.

In 1972, a moderate Ukrainian Party leader, Petro Y. Shelest, was purged in favor of Mr. Shcherbitsky, whose main virtue, in Moscow's view, has been his ability to retain control over the republic.

Soviet Union Denounces Expulsion of Envoy in U.S.

Reuters

MOSCOW — The Soviet Union on Friday denounced the expulsion of a Soviet diplomat from the United States but stopped short of threatening retaliation.

The Foreign Ministry spokesman, Gennadi I. Gerasimov, called the expulsion of Lieutenant Colonel Yuri N. Pakhtusov a provocation, but made no specific counterthreats and did not say what effect the incident might have on U.S.-Soviet ties.

"We believe that this was a gross provocation organized by the U.S. special services," Mr. Gerasimov said. "In taking this decision to expel Pakhtusov, the U.S. assumes all responsibility for what happens in the future."

He declined to elaborate when asked whether that meant Moscow planned to respond in kind.

Mr. Gerasimov also sidestepped questions about whether Colonel Pakhtusov was involved in espionage, saying only that he had not violated his diplomatic status as an assistant attaché at the Soviet military mission in Washington.

Colonel Pakhtusov was arrested by FBI agents on Wednesday. He was declared persona non grata by the State Department on Thursday for allegedly trying to acquire documents showing how the government protects secrets in its computer systems.

The official news agency Tass blamed the incident on elements within the United States who were not happy with the current thaw in U.S.-Soviet relations.

But Jack Matlock, the U.S. ambassador to Moscow, said the reference to the expulsion as a provocation was ridiculous.

Mr. Gerasimov said Colonel Pakhtusov had been visiting an American friend in the apartment building where they lived when U.S. agents forced their way into the apartment, handcuffed the diplomat and took him to an FBI office.

He said the agents offered Colonel Pakhtusov money to defect and only released him after he refused.

A senior U.S. diplomat in Moscow said Colonel Pakhtusov had recruited and paid an American to give him classified information.

WORLD BRIEFS

Pact Reached on West Berlin Cabinet

BONN (NYT) — The Social Democrats and the environmentalist Alternative List party in West Berlin reached a power-sharing agreement Friday, clearing the way for the first "red-green" government in the city, the leaders of the parties said. Intense bargaining for the 12 positions followed elections Jan. 29.

If the agreement is approved by the full membership of the parties, as anticipated, the coalition will take office Thursday. The environmentalists will fill the posts of City Development and Environment, Schools and Women, and Youth and Family. The other posts will be held by the Social Democratic Party, whose leader, Walter Momper, will become mayor.

The Social Democrats and the Christian Democrats each won 55 seats in the elections, while the Greens won 17. The far-right Republican Party took 11 of the 138 seats, marking its first representation.

Socialists Favored in French Voting

PARIS (AP) — Candidates on Friday ended their campaigns for municipal elections, which are being watched as a barometer of the Socialist government's popularity. Political observers gave the Socialists the edge, expecting them to gain control of as many as 20 more councils in cities of more than 30,000 population.

Contests in Paris, Lyon and Marseille are among the most watched of the more than 36,500 communities choosing mayors and municipal council members in the first round of voting. The second round takes place March 19 in towns where no list wins an absolute majority.

Army Pressures Miners in Kosovo

BELGRADE (Reuters) — Nearly two dozen tanks and 15 truckloads of troops rolled past a mine in Yugoslavia's troubled Kosovo Province on Friday in a show of force as 600 miners continued a two-day strike.

The army manoeuvres were intended to put psychological pressure on the miners, who may face suspension without pay, mine officials said. The strike is in defiance of work orders served under a partial state of emergency imposed two weeks ago to end a general strike by the ethnic Albanian majority in the province.

The miners are demanding the release of the former Kosovo Communist Party leader Azem Vlasi, who was arrested last week and is under investigation for "counterrevolution," which carries a possible death penalty.

Cardinal Assails Birth-Control Group

VATICAN CITY (AP) — In a speech Friday to the U.S. Roman Catholic hierarchy, the Vatican's top official on families accused the Planned Parenthood organization of "encouraging promiscuity."

Cardinal Edouard Gagnon, president of the Pontifical Council for the Family, applauded Roman Catholics who have fought the U.S. Supreme Court decision that allows abortion. But he said that in the United States, some forms of ministry to divorced Catholics had "degenerated into dating services."

Cardinal Gagnon told 35 American prelates at the Vatican that Planned Parenthood was challenging the Vatican's ban on artificial contraception by trying to set up school-based birth control clinics. "Planned Parenthood programs of sex education in no way resolve the problem of teen-age pregnancies, but rather increase it by encouraging promiscuity," he said.

U.S. Curbs Travel by Chinese at UN

WASHINGTON (LAT) — The State Department has imposed the same travel restrictions on Chinese employees working at the UN Secretariat as are imposed on Soviet-bloc personnel. The action was said by sources to have been prompted by concern about intelligence-gathering by UN employees.

Chinese employees at the United Nations now must give prior notice to the U.S. government when they want to travel more than 25 miles (40 kilometers) from the New York borough of Manhattan for private purposes, recreation or anything other than official business.

A spokesman for the Chinese Embassy said that China had protested the restrictions. He said that they violated the UN Charter and other agreements and regulations covering UN personnel.

For the Record

Some Tibetans were arrested on the streets of Lhasa on Friday but witnesses said the city was otherwise quiet on the 30th anniversary of a failed rebellion against Chinese rule. *(Reuters)*

Greening Now In With Politicians

By Edward Cody
Washington Post Service

THE HAGUE — A hastily organized 24-nation conference opened here Friday, seeking strengthened international authority to protect the global environment, a suddenly fashionable issue that has world leaders jockeying for preeminence.

The two-day conference, initiated by France and put together along with Norway and the Netherlands, follows by only three days an international conference on the ozone layer sponsored by Prime Minister Margaret Thatcher in London. It also takes place a week after European Community environment ministers unexpectedly committed the 12 member states to seek a ban on ozone-threatening chlorofluorocarbon gases by the year 2000.

As high-level attention to environmental threats sprouted in Europe, reports from Washington said President George Bush had complained that the conference in The Hague was premature. Mr. Bush pledged during the election campaign to organize his own high-level environment conference in Washington, but the United States was not invited to this one.

After the European ministers acted against chlorofluorocarbon gases in Brussels, however, Mr. Bush endorsed the decision and announced that the United States would join in the effort to the degree that safe alternatives became available.

As for the absence of invitations to the United States, as well as to the Soviet Union and China, R.A. van Swinderen, the Dutch Foreign Ministry's European affairs director-general, said that the planners sought to create a worldwide balance of small and medium-sized countries, ranging from West Germany and New Zealand to India, Egypt and Zimbabwe.

Peter Dejong/The Associated Press

Ruud Lubbers, Gro Harlem Brundtland and Michel Rocard chatting Friday before the start of an environmental conference.

Dutch officials said 17 of the 24 governments were represented by their prime ministers, presidents or, in the case of Jordan, their king.

Mrs. Thatcher, whose London conference was overshadowed by that of the European ministers, refused to attend the gathering in The Hague, although Dutch officials said she was invited. A Dutch Environment Ministry spokeswoman, Marjan van Giezen, said Mrs. Thatcher objected to a draft resolution calling for increased supranational power in the United Nations to make governments abide by environmental standards.

The United States also is likely to look askance at any suggestion of creating a new UN environment authority or expanding the UN Environment Program's bureaucracy, a diplomatic source said.

Unexpectedly, more hesitation emerged at the European Commission in Brussels. The commission president, Jacques Delors, expressed fear that the conference might create something that would supplant the EC's own authority to regulate the environment.

Prime Minister Michel Rocard of France suggested the conference in private contacts in the fall with Prime Ministers Ruud Lubbers of the Netherlands and Prime Minister Gro Harlem Brundtland of Norway, officials in the Hague said. The Netherlands and Norway have been leaders among European nations in environmental measures, in part because the issue has strong constituencies in both countries.

A Dutch official said the Rocard proposal intrigued some officials in The Hague, where France traditionally has been considered among countries least willing to take steps to protect the environment. This view was reinforced by strong French opposition to a recent Dutch decision to give tax breaks to buyers of new cars equipped with catalytic converters in advance of EC deadlines.

"The French have a pretty bad reputation in this field, so maybe they wanted to improve their reputation," the official said.

Similarly, officials here expressed amusement at Mrs. Thatcher's new role as a champion of environmental protection. Previously, they recalled, the British leader had tended to lump environmentalists together with pacifists into a kind of soft-headed leftism.

A Dutch official said Mrs. Thatcher's decision to take up the issue stemmed from recent progress by British industry in finding substitutes for the ozone-damaging chlorofluorocarbons.

Italian Admits Hoax in Threat To Dante Tomb

United Press International

RAVENNA, Italy — A retired businessman has admitted writing hoax letters to the mayor of Ravenna in which he threatened to blow up the tomb of Dante Alighieri because the 14th century poet insulted the prophet Mohammed, the police said Friday.

The police said the man, Vincenzo Strocchi, 69, had signed the letters "The Guardians of the Revolution."

The police had suspected a hoax but guarded the tomb because of Iranian threats against Salman Rushdie for "The Satanic Verses."

Mr. Strocchi's letters protested that in "The Divine Comedy" Dante depicted Mohammed as suffering in the ninth circle of Hell for having preached a church schism. The letters demanded that the mayor declare that the poet's writings must not be read or studied in schools.

TRAVEL UPDATE

Spanish air controllers have forsworn work stoppages under a labor agreement with the government, and travelers can count on three years without such stoppages, Carlos Martin Plasencia, the general director of civil aviation, said Friday in Madrid. *(Reuters)*

More than 38 million tourists visited France last year, allowing it to overtake Italy as a preferred European holiday destination, Tourism Minister Olivier Stirn said. France is now the No. 2 spot for European vacations, behind Spain. A 15-percent increase in spending by tourists in France and thriftiness by French abroad created a surplus of nearly 25 billion francs ($4 billion), up from 20 billion francs in 1987. *(Reuters)*

One fifth of European flights were delayed in January, and the Association of European Airlines said Friday that the situation had turned "dramatically worse" over the last year. Overall European air traffic for the month increased by 7.3 percent compared with January last year, partly because some major European airlines were "operating significantly expanded winter traffic programs," the association said. *(AP)*

Britain took another step toward European unity Friday by abolishing separate lines for British nationals at international air and sea ports, the Home Office said. Until now, separate lines at immigration control separated U.K. passport holders from citizens of the other 11 EC states. The new setup has one line for EC nationals and one for others. *(AP)*

Commuters struggled into major Portuguese cities Friday when railroad workers held their fourth strike of the year for more pay. Union sources said all 20,000 state railroad employees, who include workers manning ferries over Lisbon's Tagus river, obeyed the strike call. Bus and subway services were normal in Lisbon and Oporto. *(Reuters)*

Angry passengers in Milan kicked and punched police and airport employees when their Alitalia flight Friday was repeatedly delayed and finally canceled after it missed its departure slot at the airport, the police said Friday. Airport authorities said some of the 90 exasperated passengers tried to storm another plane. They were eventually put on later flights to Rome. *(Reuters)*

Petty crime in the Brussels subway increased 26-fold in the 1980s, but the Métro remains among the safest in the world, authorities said Friday. Officials said that no murder or rape had ever been committed in the system. *(Reuters)*

Spy Ring in U.S. Army in Germany Was Bigger Than Realized

By Jeff Gerth
New York Times Service

WASHINGTON — An espionage ring in the U.S. Army in West Germany that was broken up in August was larger and more serious than first realized, and the FBI is now investigating as many as five former soldiers as part of the case, according to government officials and documents.

The network, which reported to the Hungarian intelligence service, was unraveled with the simultaneous arrests of Clyde Lee Conrad, a former army sergeant, in West Germany, and of two brothers, Imre and Sandor Kercsik, who acted as couriers, in Sweden.

The Kercsik brothers, both doctors, were born in Hungary and lived in Sweden. They were convicted in the fall in Sweden of illegal intelligence activity. Mr. Conrad has been jailed in West Germany since August and is expected to go on trial there later this year on espionage charges.

Initial accounts of the damage caused by the three noted Mr. Conrad's top secret security clearance and the sale of NATO wartime contingency plans. But new information, some of which was made public in Sweden after the conviction of the two brothers, shows a much more extensive operation.

It is known now that in addition to contingency plans of the North Atlantic Treaty Organization, the ring obtained such key intelligence assets as networks and safe houses in Germany used by U.S. intelligence agents.

The new information indicates that other Army soldiers were involved and that nuclear-related documents with security clearances above the level of top secret were delivered to the Hungarians.

A U.S. intelligence official said Mr. Conrad was so important to the Hungarian intelligence service, both in the quality and quantity of information he delivered, that the Hungarians changed their method of operation as a result of his activities.

Mr. Conrad and his associates are believed to have sold at least several hundred documents to the Hungarians, according to officials.

It has been known that for seven years Mr. Conrad was in a unique position as administrator of a confidential military archive at the U.S. Army's 8th Infantry Division base at Kreuznach, 70 kilometers (45 miles) from Frankfurt.

New information shows that after his discharge from the army in 1985, Mr. Conrad and other U.S. soldiers in Germany were meeting with the Kercsiks to pass stolen documents classified higher than top secret, including documents with the code word "cosmic."

Cosmic is a code word for nuclear secrets that are more restricted than "top secret" information, the officials said. It is not known exactly what nuclear-related information was compromised by Mr. Conrad and his associates.

The FBI, which investigated the Conrad case in conjunction with the U.S. Army and West Germans, is now investigating as many as five U.S. Army associates of Mr. Conrad who are believed to have assisted him in his spying, according to U.S. officials and Sven Olof Hakansson, the Swedish prosecutor.

■ U.S. Soldier Gets 40 Years

A U.S. Army soldier who was paid up to $200,000 spying for East Germany and the Soviet Union did it mainly for the money, a psychiatrist testified before the soldier was sentenced to 40 years in prison and fined $50,000, The Associated Press reported from Washington.

Warrant Officer James W. Hall 3d, 30, of Sharon Springs, New York, was sentenced Thursday in a military courtroom at Fort McNair, in southwest Washington. Three days earlier he had pleaded guilty to 10 counts of espionage, attempted espionage and violating army regulations.

OMEGA CONSTELLATION.
THE WATCH SOLD AT LEADING JEWELLERS
AROUND THE WORLD.

POLAND: *Prospect of Free Elections Leads to Doubt Over Party's Hold*

(Continued from page 1)

possibility of heightened disintegration of the Communist position as dozens of Polish opposition leaders become dynamic new players in the two houses of parliament, and presumably also in local government and trade unions.

"We know what they don't want to continue, and that is real socialism, as it has been called until now," a retired Communist functionary and close collaborator of the former leader, Wladyslaw Gomulka, said.

"The disintegration of the system is inevitable," he said. "As the balance of forces changes, the government will be forced to make concessions."

It has even been suggested that a mounting threat to cohesion could develop within the present coalition of Communists and their allied parties, the Peasant Party and Democratic Party, as these totally subservient organizations become emboldened to jump ship in order not to go down with the sinking Communists.

Among Peasant Party leaders, there is already talk of the party's broad transformation into a kind of populist party of the center, away from the Communist lead.

Still, what the Communist leadership appears to have in mind is rather a broadened coalition of their forces with what they perceive to be strong socialist currents within the Solidarity trade union movement that would win time for the Communists to re-assemble their forces.

By that plan, agreement with Solidarity would also bring the government greater respectability in the West, resulting in new loans from some governments, notably that of West Germany, which has become the prime target of Polish economic wooing of late, and enabling them to weather coming economic storms.

The chief government negotiator in the talks with Solidarity, Janusz Reykowski, affirmed recently in the weekly Polityka that the Communist Party was "not a party that competes in elections and hands over power or not, depending on their results."

But the emergence of a tacit Communist-Solidarity alliance has already produced grumblings among more conservative forces that are now bound in a marriage of convenience to Solidarity.

Among these are nationalist conservative groups that suspect Communist ambitions. More troubled, however, is the small but vigorous private business community in Poland. Many in it fear that a Communist-Solidarity alliance could emerge at the expense of private enterprise, which they see as the only real cure over the long term for the economic ills plaguing Poland.

Asked whether the emerging arrangements with Solidarity could be upset by the rise of a bourgeois property-owner party, Ludwik Krasucki, a principal party ideologist, denied any such threat existed. "This is the sort of thing our hardliners like to argue," Mr. Krasucki said.

But perhaps the most intriguing question making the rounds in Warsaw these days regards Moscow's view of the rapid political change in its largest and most populous East-bloc ally. Put bluntly, the question is: Just what are the limits to which Moscow would allow the Polish Communists to go in accommodating Solidarity before it would pronounce a veto?

One veteran Communist professed astonishment at how far the Soviet Union had already let the Poles go.

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	18	64	9	48	fr
Amsterdam	13	55	5	41	cl
Athens	16	61	9	48	fr
Barcelona	18	64	9	48	fr
Belgrade	10	50	5	41	s
Berlin	8	46	4	39	r
Brussels	15	59	6	43	fr
Budapest	8	46	5	41	s
Copenhagen	9	48	4	39	c
Costa Del Sol	18	64	13	54	fr
Dublin	10	50	2	36	fr
Edinburgh	10	50	2	36	fr
Florence	20	68	10	50	fr
Frankfurt	12	54	2	36	fr
Geneva	11	52	2	36	fr
Helsinki	5	41	-2	28	fr
Las Palmas	29	84	17	63	fr
Lisbon	20	68	9	48	fr
London	11	52	9	48	r
Luxembourg	13	55	4	39	fr
Madrid	19	66	2	36	fr
Milan	17	63	5	41	fr
Moscow	2	36	0	32	sw
Munich	10	50	0	32	fr
Nice	19	66	9	48	fr
Oslo	8	46	4	39	r
Paris	17	63	6	43	fr
Prague	10	50	0	32	fr
Reykjavik	1	34	0	32	sw
Rome	19	66	9	48	fr
Stockholm	3	38	1	34	r
Strasbourg	15	59	0	32	cl
Venice	15	59	7	45	r
Vienna	10	50	2	36	fr
Warsaw	5	41	0	32	c
Zurich	12	54	0	32	fr
MIDDLE EAST					
Ankara	12	54	-3	26	fr
Cairo	26	68	9	48	cl
Istanbul	11	52	7	45	fr
Jerusalem	11	52	6	43	r
Tel Aviv	18	64	9	48	cl
OCEANIA					
Auckland	—	—	—	—	na
Sydney	—	—	—	—	na

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	25	73	fr
Beijing	15	59	1	34	fr
Hong Kong	19	66	14	57	fr
Manila	32	90	22	72	cl
New Delhi	30	86	17	63	fr
Seoul	11	52	1	34	fr
Shanghai	13	55	3	38	fr
Singapore	32	90	25	77	c
Taipei	27	81	22	72	cl
Tokyo	9	48	2	36	cl
AFRICA					
Algiers	18	64	4	39	fr
Cape Town	25	77	18	64	fr
Casablanca	24	75	11	52	fr
Harare	24	75	15	59	cl
Lagos	32	90	28	82	fr
Nairobi	29	84	12	54	fr
Tunis	15	59	8	46	r
LATIN AMERICA					
Buenos Aires	29	84	17	63	fr
Lima	26	79	19	66	fr
Mexico City	27	81	9	48	cl
Rio de Janeiro	30	86	24	75	r
NORTH AMERICA					
Anchorage	-9	16	-15	5	fr
Atlanta	19	66	7	45	fr
Boston	5	41	-3	26	fr
Chicago	13	54	3	38	fr
Denver	26	79	12	54	pc
Detroit	10	50	0	32	fr
Honolulu	24	75	17	63	sh
Houston	25	77	8	46	fr
Los Angeles	20	68	11	52	cl
Miami	19	66	11	52	sh
Minneapolis	10	50	2	36	pc
Montreal	1	34	-8	18	fr
Nassau	26	79	19	66	sh
New York	7	45	0	32	fr
Phoenix	24	75	9	48	fr
San Francisco	17	63	12	55	pc
Seattle	12	54	6	43	sh
Toronto	11	52	1	34	fr
Washington	5	41	-2	28	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-storm.

SATURDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Cloudy. Temp. 12 — 3 (54 — 37). LONDON: Rain. Temp. 10 — 8 (50 — 46). MADRID: Fair. Temp. 20 — 2 (68 — 36). NEW YORK: Partly cloudy. Temp. 10 — 4 (50 — 39). PARIS: Fair. Temp. 20 — 2 (68 — 36). ROME: Fair. Temp. 18 — 4 (64 — 39). TEL AVIV: Not Available. ZURICH: Fair. Temp. 14 — 4 (57 — 39). BANGKOK: Mist. Temp. 32 — 20 (91 — 68). HONG KONG: Cloudy. Temp. 19 — 6 (66 — 43). MANILA: Thunderstorms. Temp. 31 — 19 (88 — 66). SEOUL: Mist. Temp. 11 — 1 (52 — 34). SINGAPORE: Fair. Temp. 30 — 25 (86 — 77). TOKYO: Mist. Temp. 12 — 3 (54 — 38).

Arens Not in a Rush To Explore Peace

He Visits U.S. to 'Get Acquainted'

By Glenn Frankel
Washington Post Service

JERUSALEM — Moshe Arens is in the the United States for the first time as Israel's foreign minister as the Middle East peace process, once showing brief life, seems to be slipping into suspended animation.

The Soviet attempt to assert itself in the Middle East has sputtered because of major conflicts with Israel.

In an interview this week, Mr. Arens said that Moscow's conditions for re-establishing diplomatic ties with Jerusalem were unreasonable and that progress from the recent visit to the region by the Soviet foreign minister, Eduard A. Shevardnadze, was "very small."

American involvement in the region is also on hold while the administration of President George Bush struggles to formulate a policy and install its State Department appointees.

Mr. Bush and Secretary of State James A. Baker 3d have in the meanwhile helped take pressure off Mr. Arens and Prime Minister Yitzhak Shamir to come up with an Israeli peace plan by saying that the United States had no intention of rushing into a diplomatic initiative.

The dialogue between the United States and the Palestine Liberation Organization appears stalled, partly because the Bush administration seems to lack a clear goal for the talks. Discussions between the two sides appear to focus on the PLO's definition of and control over terrorism, rather than on how to further the peace process.

Meanwhile, Mr. Shamir, bolstered by his party's strong showing in recent local elections, has issued hard-line pronouncements comparing the PLO and its leader, Yasser Arafat, to the Nazis, and saying he still hopes to annex the Israeli-occupied West Bank.

While avoiding such remarks, Mr. Arens's comments largely emphasized the negatives. He reiterated Israel's refusal under any circumstances to open talks with the PLO, and its rejection of international peace-conference proposals. He refused to discuss anything that might be part of an Israeli peace initiative, or even when such a plan might be offered.

Further seeking to lower expectations for his planned talks next week with Mr. Baker and Mr. Bush, Mr. Arens characterized the Washington trip as a get-acquainted session rather than a mission to explore new peace ideas.

"I saw some statements made by Jim Baker saying that we shouldn't rush into things, that things should be thoroughly considered, and I think that's very good advice," Mr. Arens said.

Mr. Arens denied that Israel was trying to stall the peace process. "We don't have to stonewall," he said.

But many analysts contend that Israel is playing for time — waiting for Mr. Arafat or his Palestinian rivals to undermine the new dialogue by launching a terrorist attack that Washington will not be able to ignore, for the Bush administration to determine that the Middle East is too complex and risky a field for dramatic gains, and for world attention to shift elsewhere.

"Shamir's strategy is to sit back and wait for the other side to make mistakes," a senior Israeli official said. "He does it domestically with Shimon Peres and externally with the PLO. The only thing that can move him is internal political pressure, and right now, after the municipal elections, there is none." Mr. Peres is Mr. Shamir's main political rival.

With the domestic political scene under Mr. Shamir's control, some observers said they believed that the only two sources of effective pressure on Israel were Washington and Moscow. But neither has signaled its long-term intentions.

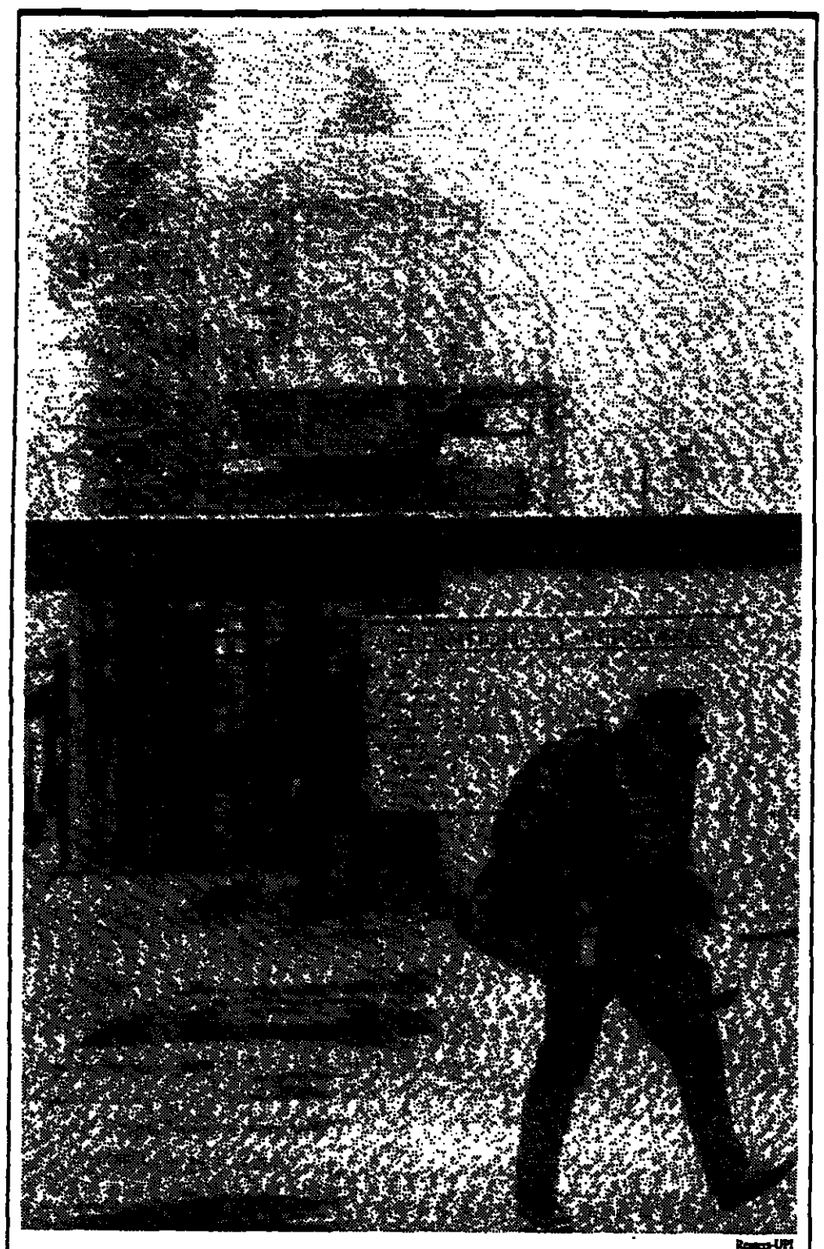
The Bush administration might have challenged Israel on human rights issues last month when the State Department issued its highly critical report of rights abuses in the West Bank and Gaza Strip. But the administration played down the findings, insisting they would not damage U.S.-Israeli relations, and the United States vetoed a UN Security Council resolution condemning Israeli practices — all of which signaled to Israel that Washington did not see human rights as a major issue.

Moscow may be more problematical. The budding relationship with the Soviet Union has been an important achievement for Mr. Shamir's government and has given it increased domestic political stature.

But Mr. Shevardnadze indicated the limits of the new ties when he was in Cairo last month. After a reportedly friendly meeting there with Mr. Arens, the Soviet foreign minister gave a tough speech warning that Israel faced delegitimization and possible international sanctions if it continued its refusal to meet with the PLO and attend an international peace conference, and he said that re-establishment of full diplomatic relations between the two countries depended upon those two conditions.

"The speech contained a number of rather brutal statements about Israel," said Mr. Arens, who had previously refrained from criticism.

"If you look upon the process of establishing diplomatic relations as a marathon," Mr. Arens said, "then maybe he's advanced a couple of meters. But if you look upon it, as I think you should, as a one-step process, then I would say the progress is very small."



Reuters-UPI

STORMY SHUTTLE WEATHER — NASA workers braced themselves against the wind and rain as they changed shifts at Cape Canaveral, Florida. The shuttle Discovery, in background, is on the launching pad. The flight is scheduled for Monday, despite the poor weather conditions.

Former Unisys Official, Pleading Guilty, Admits Bribing Pentagon Aide

By Michael Wines
New York Times Service

WASHINGTON — In a significant advance in the federal inquiry into Pentagon purchasing fraud, a former vice president of Unisys Corp. has pleaded guilty to bribing a Defense Department official, drawing from a secret $5 million fund set up with Unisys money.

The Unisys fund, created in 1983, was used in part to pay consultants and Pentagon officials who could help the company land major military contracts, Henry Hudson, the federal prosecutor in charge of the inquiry, said in court documents.

Mr. Hudson, the U.S. attorney in Alexandria, Virginia, said in a statement that the guilty plea by the former Unisys official, Charles F. Gardner, and those by two other men were significant developments that would move the Pentagon fraud inquiry forward "at a tremendous pace."

In the court documents, prosecutors say some of the money from the Unisys fund was channeled through dummy companies in the Caribbean and offshore Britain to buy an Idaho vacation home at an inflated price from the Pentagon official, Melvyn R. Paisley.

Mr. Paisley oversaw much of the navy's contracting work from 1981 to 1986, when he was assistant secretary for research, engineering and systems.

Mr. Paisley's lawyers, E. Lawrence Barcella Jr. and Robert Plotkin, issued a statement denying that their client was knowingly bribed by Mr. Gardner or anyone else while in the navy. Mr. Paisley believes his condominium was sold at its fair market value, they stated.

Mr. Paisley has not been charged with any crimes in connection with the inquiry.

Unisys reacted angrily to the disclosures. In a statement from its headquarters in Blue Bell, Pennsylvania, a spokesman said the company was outraged and planned to sue Mr. Gardner, whom it accused of deliberate fraud.

Mr. Gardner was an employee of Sperry Corp. before its merger with Burroughs Corp. in 1986, when Burroughs took the name Unisys.

In U.S. District Court in Alexandria, Mr. Gardner pleaded guilty to bribery, conspiring to file false statements and aiding in the filing of a false tax return. The charges stem mostly from a single use of the Unisys fund to bribe Mr. Paisley in August 1986.

Mr. Gardner ran the company's Surveillance and Fire Control Division in Great Neck, New York, from 1985 until last March.

Another Virginia consultant implicated in the contracting scandal, James G. Neal, pleaded guilty to lesser charges with Mr. Gardner in court on Thursday.

Both men and a third defendant have agreed to cooperate in the continuing investigation, which centers on the use of private consultants by corporations to pay bribes to Pentagon officials and others who could influence awards of military contracts.

The court papers said Mr. Gardner effectively controlled the use of the Unisys fund and used it "for purposes of bribery, illegal campaign contributions and in part for Charles F. Gardner's personal use."

The fund was replenished by charging the government for consulting work on military contracts that was not needed or even performed, Mr. Hudson said.

As outlined in court documents, Mr. Gardner effectively bilked the Pentagon out of its own money, which he then used to bribe the Pentagon's own officials.

The documents charge that Mr. Paisley "performed certain official acts" to help Unisys obtain contracts for the Aegis electronic warfare system and a Marine Corps air traffic control system.

Mr. Gardner, Mr. Paisley and a private consultant, William M. Galvin, have emerged as central figures in the inquiry since it was disclosed last June.

Mr. Gardner admitted Thursday that he paid off Mr. Paisley by arranging for Mr. Neal to buy Mr. Paisley's Idaho vacation home at an inflated price.

Bush Takes Aim At Drug Dealers

Washington Post Service

NEW YORK — President George Bush, declaring that "the hunting season is over," has pledged to seek swift punishment of drug dealers who kill police officers. But he avoided the issue of banning semiantomatic weapons, which have been linked to an increase in drug-related killings.

Mr. Bush called for a federal death penalty for drug dealers who kill police officers and for other drug-related crimes. Under a federal law enacted last year, killing a police officer can be punished by death; but the law does not require that the penalty be imposed.

Visiting the New York office of the Drug Enforcement Administration on Thursday, Mr. Bush paid tribute to the widow of an undercover agent who was killed last week. He said: "We've got to deliver some news to the bad guys. The hunting season is over."

A Scientific Blow to the Common Cold

By Michael Specter
Washington Post Service

BOSTON — In a major step toward developing a cure for the common cold, two groups of scientists have reported that they have found the single pathway that enables the most common forms of cold viruses to infect human cells.

Using that knowledge, researchers from both teams said, they have developed a prototype drug that blocks the cold viruses from infecting cells in a test tube.

It should eventually be possible, they said, to develop a drug that prevents, and perhaps cures, many colds.

Colds are the most common viral infection, causing more lost work days than any other viral disease.

"I'm not saying we are going to wipe all colds off the face of the earth," said Timothy Springer, associate professor of pathology at Harvard Medical School, presenting his group's results at a news conference at The Center for Blood Research. "But we have made a very important discovery."

Scientists at Molecular Therapeutics Inc., a research group at the Miles Research Center in West Haven, Connecticut, independently reported similar findings.

Colds are caused by many different kinds of viruses. About a third to a half of all colds are caused by viruses of the rhinovirus family, which includes more than 100 known kinds. The researchers found that about 90 percent of rhinoviruses invade the cells lining the nose by locking themselves onto one particular molecule on the surface of the cells.

The molecule is called ICAM-1, for intercellular adhesion molecule. Rhinoviruses have special pockets on their surfaces that lock onto the receptors.

When this happens, the virus is pulled into the cell. Then the virus multiplies and the progeny break out to infect more cells.

To block this, the scientists made synthetic versions of the ICAM-1 molecule. When these were added to the fluid in which human cells were growing in a laboratory dish, the synthetic molecules filled all the special pockets on the viruses. The scientists found the synthetic molecules kept most rhinoviruses from invading the cells.

Synthetic ICAM-1 has yet to be tested on animals or humans. But if it could be developed into a useful drug many cold viruses would be unable to gain entry and infect the nose.

"We have been looking at rhinoviruses for at least three years," said Jeffrey Greve, who led the research at Molecular Therapeutics. "And now all the pieces of the puzzle have come together."

Robert Mapplethorpe, Photographer, Dies at 42

By Andy Grundberg
New York Times Service

NEW YORK — Robert Mapplethorpe, 42, a photographer whose widely exhibited pictures combined classical beauty with sometimes shocking subject matter, died Thursday of AIDS in Boston.

Mr. Mapplethorpe was first diagnosed as having AIDS two and a half years ago. Since then, the artist had become for many a symbol of resistance to the disease.

His 1988 self-portraits, which show his face grim and emaciated, have appeared in many magazines in recent months. They are included in the artist's current retrospective exhibition, which was organized by the Institute of Contemporary Art in Philadelphia and is now on view at the Museum of Contemporary Art in Chicago.

Mr. Mapplethorpe first gained notice in the 1970s for his black-and-white photographs of the male figure, many of which were explicitly homoerotic. But he photographed the female nude with equal stylishness.

Born in New York, he studied at Pratt Institute in Brooklyn. He began his career as an independent filmmaker and used photographs within sculptural collages and constructions.

Last year he established the Robert Mapplethorpe Foundation, which is to focus on funding both medical research, with an emphasis on AIDS, and the visual arts, with an emphasis on photography.

Kermit Beahan, 70, Nagasaki Bombardier

HOUSTON (AFP) — Kermit Beahan, 70, the bombardier who dropped the atomic bomb on Nagasaki and remembered it years later as a "picture of hell," died Thursday, after undergoing prostate surgery.

On Aug. 9, 1945, Mr. Beahan released the bomb that fell on Nagasaki, killing an estimated 70,000 persons and forced Japan's surrender. "I saw a mushroom cloud bubbling and flashing orange, red and green," Mr. Beahan said. "It looked like a picture of hell."

A native of Joplin, Missouri, he joined the U.S. Army Air Corps and took part in 40 missions over Europe as a bombardier. He was in the plane that escorted the Enola Gay, which dropped the first atomic bomb on Hiroshima on Aug. 6, 1945.

■ *Other deaths:*

Stuart Hamblen, 80, a singing cowboy star, Wednesday in Santa Monica, California after surgery for a brain tumor. He has been credited with being radio's first singing cowboy. He was as well known for his tall stories as for his songs such as "This Old House," "It Is No Secret What God Can Do" and "Remember Me, I'm the One Who Loves You."

Judson Philips, 85, who wrote more than 100 mystery and detective novels under the pseudonym Hugh Pentecost as well as his own name, of emphysema Tuesday in Sharon, Connecticut. Among his novels are "The Beautiful Dead," "Death After Breakfast," "Don't Drop Dead Tomorrow" and "The Obituary Club."

Lady Clark, 65, the widow of Lord Clark, the English art historian, in Parfondeval, France, on Tuesday, after heart surgery. Born Nolwen de Janzé, she married Kenneth Clark in 1977.

Charles Exbrayat, 82, a French journalist, screenwriter and author of best-selling detective novels, in Saint-Etienne, France, on Wednesday of heart problems and leukemia. His best-known works include "A Ravishing Idiot" and "Bye Bye Cherie," as well as dozens of works adapted for movies and television.

36 Injured in N.Y. Subway

The Associated Press

NEW YORK — A subway train carrying about 150 passengers struck a work train Friday on the Upper West Side of Manhattan, injuring 36 persons and causing delays to morning rush-hour traffic, authorities said.

10 Die in South Africa Mine

The Associated Press

JOHANNESBURG — Ten miners were killed and 22 were injured in a fire 2.2 kilometers (1.3 miles) underground, the Anglo-American Corp. said Friday. The fire occurred Thursday at the Vaal Reef Gold Mine, near here.

AMERICAN TOPICS

Longtime Residents May Get Tax Break

A new law in Pennsylvania would limit property taxes that can be levied against longtime homeowners in neighborhoods that have suddenly become fashionable. Residents of Queen Village in Philadelphia have been fighting ever-higher property taxes since wealthy people began moving into that working-class waterfront community 25 years ago.

The law comes too late for the almost 60 percent of Queens Village residents who have moved away in the face of increases as high as 700 percent over the last few years.

City officials would have to approve the tax break, and some argue that the law reduces tax revenues, at least in the short term, and that it contradicts market forces. But State Senator Vincent J. Fumo, the law's principal sponsor, says it removes some residents' fears of being pushed out by redevelopment, making them more inclined to support neighborhood improvement.

If it is done "properly," he said, "I feel the city's cash flow will increase."

Short Takes

Americans endlessly discuss revamping school curricula, says Fat C. Lam, an assistant professor of mathematics at Gallaudet University in Washington. But "if it were the curriculum that makes Japanese and Korean students outperform ours, we could simply copy their curriculum." No, says the professor in a letter to The Washington Post, "the solution to our students' low academic achievement is simply homework, homework and more homework," as is the case in Japan and Korea. The trouble, he adds, is that homework takes time to do and time to correct, so "students fear it. Teachers loathe it. Administrators duck it."

Price can be a misleading measure of whether clothes will stand up to dry cleaning, says William Seitz, head of the Neighborhood Cleaners Association in New York City. He says clothes from big chains like J.C. Penney or Sears Roebuck seldom cause problems "because of their extensive quality-control programs. But with high fashion, there is absolutely no way of predicting how a garment will clean. We're seeing some of the most serious problems with the most expensive garments, from designers who are more concerned with the image and the dream than with serviceability."

The State Department says applications for 20,000 visas being granted under a lottery-type system, as announced last month, should be mailed in a business-size envelope to OP-1, P.O. Box 20199, Washington, D.C. 20199-9998 and must be received by March 31. The application should be typed and should include the applicant's name, date and place of birth, as well as of spouse or children if any, the U.S. consular office nearest to the applicant's residence, and a 1½-inch (3.8 centimeter) square full-face photograph of each person mentioned in the application.

Dogs love ice cream because it is cold and refreshing, notes William J. Tyznik, an animal nutritionist. But it is bad for them because it is contains lactose, which is difficult for dogs to digest. So Mr. Tyznik has created Frosty Paws, which will reach supermarkets in New York City and several cities in the Middle West this spring. The dessert is made from whey, the thin, watery part of milk, with most of the lactose removed.

A letter to Ann Landers, the advice columnist, from a doctor in Baton Rouge, Louisiana: "Recently you used as an example of a very stupid question, 'Who is buried in General Grant's tomb?' Most people would assume the answer is 'General Grant.' That's only half right. Mrs. Grant is there, too."

Arthur Higbee

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OPINION

China Fails in Tibet

Since 1950, China has shown Tibet the rawest face of imperialism — destruction of thousands of monasteries, suppression of the Tibetan language and culture and widespread settlement by Chinese colonists. This has resulted in the death of perhaps a million Tibetans.

Although repression has eased somewhat in recent years, Tibetans are still not reconciled to their harsh Chinese overlords. Beijing's reversion to brutality in the last year and a half has prompted increasingly violent protests. China this past week was forced to declare martial law in Lhasa, the capital, a compelling demonstration that its policy of absorbing Tibet has not succeeded.

Tibetans are a distinct people, with their own religion and culture, and have been largely independent of China through much of their history. But they suffered the world's indifference when they were invaded in 1950. The United States, like other countries, accepts Tibet as an integral part of China. It recognizes the Dalai Lama, Tibet's exiled leader, as a religious figure without political authority. The State Department routinely deplores Chinese brutality in Tibet, but believes that any stronger action would be viewed as provocative by the Chinese and hence would be counterproductive.

The United States can hardly advocate the independence of Tibet. That would cruelly encourage Tibetan ambitions of political autonomy, which China would fiercely repress. And the U.S. interest in a closer relationship with China is overriding. But protests about Chinese behavior in Tibet do not have to be confined to mild displeasure. The Dalai Lama, breaking with more radical colleagues, has sought to open negotiations with China, without seeking independence.

Tibet was on the agenda for George Bush's recent visit to Beijing, but after his protest, if any, China felt that it could suppress the uprisings with impunity. The least the State Department can do is acknowledge that the Dalai Lama has political standing in his country and support his request for cultural and religious autonomy. China's interest, too, lies in recognizing that its ugly adventure in Tibet will prove an increasing international embarrassment unless it reaches an accord with the Dalai Lama.

— THE NEW YORK TIMES.

Now Down to Work

Now, with any kind of luck, the Bush administration can begin. The Tower affair cast a shadow over almost all President Bush's 50 days in office. The battle produced a few heroes and some serious casualties. But the damage need not be permanent, if all sides turn quickly to urgent tasks postponed during the long weeks of bitter debate.

For George Bush, the task is to nominate a strong secretary of defense quickly and finish building a team capable of managing foreign affairs and national security. For Congress, the task is to summon the courage to put itself to the same stiff tests of ethics and propriety to which the Senate, painfully but rightly, subjected John Tower.

For both Congress and the White House, the task is to repair relations. George Mitchell, the new Senate majority leader, who managed his troops with such skill, sounded precisely the right note hours before the vote: "I want unambiguously to say that this doesn't represent an effort to be harmful to the president. I hope and believe we can work together on important issues."

The Tower defeat will inevitably reinforce the notion, now popular in Washington, that Mr. Bush's young administration is already in terminal decline. Indeed, the president himself felt compelled on Tuesday to trot out statistics showing that he was filling key posts and offering legislative proposals just as fast as his predecessors had.

The statistics don't mean a lot more than the loose talk about "drift" that inspired them. Mr. Bush has sent to Congress his version of a new federal budget; he has forthrightly faced up to the savings and loan crisis, and has begun work on environmental problems long ignored by Ronald Reagan.

Still, both his agenda and his team are scarcely complete. His secretary of state, James Baker, has been traveling in Europe and meeting the Soviets without benefit of advice from key advisers of his own choosing. Mr. Baker has promised the Soviet foreign minister, Eduard Shevardnadze, that the administration would complete its review of negotiations on long-range nuclear weapons by the end of April. That is seven weeks from now; it would be useful, to say the least, to have a defense secretary in place to contribute to that review.

If Mr. Bush can be inspired by defeat, the Democrats in Congress can demonstrate integrity in victory. The architect of that victory was Senator Sam Nunn, chairman of the Armed Service Committee. Originally disposed, like most of his colleagues, to confirm a former Senate colleague, Mr. Nunn bridled at reports of Mr. Tower's conflicts of interest and excessive drinking. He has since been attacked almost daily with charges of partisanship and worse, especially by Bob Dole, the Senate Republican leader. But there is no evidence to suggest that Mr. Nunn conducted his investigations unfairly. Indeed, what he did took considerable political fortitude.

Having held John Tower to high standards, Senate Democrats would now demonstrate their integrity by leading an effort to establish conscientious standards for Congress. They could begin by tightening the laws on campaign contributions, limiting the outside income of its members and imposing restrictions on the revolving door activities of former congressmen. These measures offer a clear test of whether the Senate Democrats possess principle to match their piety.

— THE NEW YORK TIMES.

Eastern in Bankruptcy

Bankruptcy will buy time for Eastern Airlines, according to its management, to begin rebuilding its operations. But it is another indicator of the bitter and implacable spirit that both sides of this strike bring to it. Putting the company into bankruptcy is not a decision that suggests any willingness to entertain the routine kind of down-the-middle compromise. In this head-on collision, both sides are playing for all or nothing.

While the company tries to keep a few planes in the air in the hope of slowly expanding its flights, the union is equally busy. Its goal is not a wage settlement but an Eastern Airlines no longer under the control of Frank Lorenzo, the chairman of Eastern's parent corporation. While Mr. Lorenzo and Eastern use the bankruptcy laws to hold their creditors off, the union will be using that time to try to organize a buyout putting Eastern into other hands.

Both sides see this strike not as the conventional pulling and hauling over a little more money but as a struggle for survival. Mr. Lorenzo and management clearly believe that if they lose this strike they will have lost their ability to run the company. The union believes that if it loses it will fade into impotence throughout the airline industry. After Mr. Lorenzo used the bankruptcy laws in his successful strategy to shed Continental Airlines' union contracts, Congress substantially rewrote those laws. But while the changes would make it much harder for Mr. Lorenzo to repeat the Continental maneuver, it would apparently not be impossible.

Neither side is willing to return to the situation that prevailed before the strike. However it ends, there will not be the familiar ritual of pickets laying down their placards and trooping back to the same jobs for the same employer with slightly better wages and job guarantees. Eastern certainly does not seem to envision that. Its president, Phil Bakes, speaks of "a smaller but certainly revitalized and certainly viable Eastern Airlines" that its owners intend to organize now under the protection of bankruptcy. At the same time, the union says it will have its buyout proposal ready shortly.

And who will be the winners? Possibly nobody. A great many of the strikers say that they are taking a stand against a management which, they claim, has routinely resorted to tactics of deceit and intimidation. Management argues that it is dealing with an intractably uncooperative union. Both are prepared to take high losses — and the losses for both sides are rising.

— THE WASHINGTON POST.

Other Comment

Tibet: Evading the Problem

Of the two million Tibetans living in Tibet, the majority are farmers quite contented with their present lot. It is mainly those living in the cities, and Tibetans abroad, who are clamoring for independence. With their monopoly of power, the authorities in Lhasa can easily suppress the protesters. But at what costs? Beijing would merely be doing what it has done in the past three decades — postponing the problem. Right now, only a small number of Tibetans are caught up in this fervor. They are no doubt drawing inspiration from the "people uprisings" which occurred recently in the Philippines, Burma, the Soviet Union and elsewhere. Violent suppression of these protests could well have the effect of widening the base of support for the independence struggle in Tibet.

— The Straits Times (Singapore).

Britain: Tolerance Required

[Moslems in Britain] have not merged their culture and still less their religion. They were not expected to. Nor perhaps can they realistically be expected emotionally to match modern Christian tolerance. But what they must do is legally to accept British tolerance. Not the least advantage of a written constitution is that under it such an obligation would be explicit. Anyone becoming an American citizen swears allegiance to the whole constitution of the United States. This obviously does not solve all problems of individual behavior, but it establishes a framework of authority. We cannot immediately create a British constitution, but we can proclaim that an analogous acceptance of British law and British liberties is expected by all who wish to live in this country.

— Roy Jenkins, The Independent (London).

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Walter N. Thayer (1910-1989)

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx: RS56928
Managing Dir. Asia: Malcolm Glenn, 50 Gloucester Road, Hong Kong. Tel. 5-861066. Telex: 61170
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S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
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More Warming Would Bring a Food Crisis

By Hobart Rowen

WASHINGTON — Trade negotiations among the United States, Europe and other major powers are predicated on the idea of getting rid of food surpluses. But Lester R. Brown, guiding light of the Worldwatch Institute, says in an interview: "This may be a false premise. The real problem is likely to be shortages."

Worldwatch's annual "State of the World" reports have raised public consciousness on the relationship of environment to global survivability. The current volume suggests that 1988 was a watershed for the environment and the public's concern about it. A notable event was the hot summer in much of the Northern Hemisphere, which may have confirmed fears of global warming caused by rising levels of "greenhouse" gases.

The warming effect could severely hurt farm production, especially in the hardest-hit latitudes of central North America and central Asia. In 1988 the drought-damaged U.S. grain harvest was below the level of consumption for the first time in history. Americans ate enough to cause a reduction of inventory, and none was left for export. The harvest was only around 190 million metric tons, against a typical 300 million tons.

Mr. Brown and John E. Young write that in any other year "such exceptional heat and dryness would be dismissed as an aberration, a meteorological quirk." Given the greenhouse-effect scare, however, they wonder what the future holds for American farmers and countries that normally depend on America for much of their food supply.

Even without the greenhouse effect, there is little doubt that a threat to global food supplies is at hand and is likely to get worse. Against an annual increase of 86 million persons, there is an annual worldwide loss of 24 billion tons of topsoil.

The "grain shock" problem has two causes. One is the continuation of high birthrates, representing a failure to deal with the need for family planning, especially in the Third World. The other is the steep drop in production of grain, the staple that accounts for half of the world's caloric food intake when consumed directly and a sizable part of the remainder when consumed indirectly as meat, milk and eggs.

Between 1950 and 1984, according to Worldwatch, grain production increased sharply, allowing for a 40 percent increase in per capita consumption. The world was said to be "awash" in grain. But the surge in production (a response to a doubling of grain prices in 1973) was achieved by plowing erodible land that should never have been plowed, and by overpumping for irrigation purposes, which drew down water tables.

Those excesses are coming to an end, and as a result grain production is falling. In the last two years, world reserves have dropped from the highest level to the lowest since World War II. At the start of the 1989 harvest, grain stocks were equal to only 54 days of consumption, compared to 101 days at the start of the 1987 harvest.

The central question, Mr. Brown says, is: "What are the odds that North America will experience another severe drought in 1989?" In past history, the odds would have been against two bad drought years back to back. But if the greenhouse effect is really in progress, we could see a series of hotter summers. Mr. Brown admits that no one knows for sure. But he points out that in any case the global future of agriculture is bound to be shaped by existing environmental trends and limitations on resources.

In Africa and some other poor regions, land erosion is leading to the abandonment of entire villages, "which are surrendering to the sand." If, on top of these disasters, the buildup of greenhouse gases leads to more hot summers like 1988, "hunger and malnutrition will spread."

Mr. Brown guesses that to save the planet from the damage to the ozone and from other environmental degradation would cost the major countries about $150 billion a year in addition to what they already spend — or one-sixth of the present $900 billion annual global military budget.

He does not kid himself about the chances for such a commitment. It would take, he told me, "a mobilization effort like the allied powers put into effect in 1940 after Pearl Harbor."

Could there be an environmental Pearl Harbor? "Another drought this year, and by September there will be frantic bidding for our remaining grain reserves," Mr. Brown says. That could mean inflation in the United States — and starvation in the Third World.

The Washington Post.

Making Aid Work: AID Should Target the Poor

By Roy L. Prosterman and Timothy M. Hanstad

SEATTLE — A detailed evaluation of American economic aid programs that we recently published indicates that the U.S. Agency for International Development is using barely one dollar out of four (excluding the special programs for Egypt and Israel) in ways likely to help the poor in recipient countries. Our less detailed impressions of the aid programs of other industrial democracies suggest that few of them do better.

We do not wish our findings to add to the spate of critical reports intimating that a new agency or mode of aid-giving is needed. The central paradox is that, although only a small fraction of U.S. economic aid is spent in ways that effectively help the poor (as the governing legislation requires), AID clearly *has* proved capable of designing and carrying out projects that significantly benefit the poor.

This is reflected in the vast differences in program quality from country to country. At one end of the scale are countries, such as Thailand and Haiti, where it appears that 85 percent or more of the money that AID commits in 1989 wil be spent on projects that genuinely help the poor. At the opposite end are a series of countries, such as El Salvador and Somalia, where that share falls below 10 percent.

Our field experience persuades us that these differences are due largely to what local AID mission directors decide to push for. The recipient governments are generally open to a range of possibilities, especially where the aid is in outright grant form, as U.S aid now overwhelmingly is.

A secondary cause is the decision in Washington — usually made at the State Department, not at AID — to use substantial amounts of the scarce economic aid resource as "cash transfer" or general balance-of-payments support, essentially useless for grass-roots development purposes. But AID is not the IMF; and the resources it commands, while inadequate to make any significant dent in the debt problem or at the macroeconomic level, are demonstrably sufficient, when properly focused and targeted on the poor, to help several hundred million people in the Third World become productive, healthy and largely self-sufficient between now and 2000. Such targeted interventions set the stage for continuing economic growth which is both broadly based and sustainable.

What is needed is not wrenching change but a set of specific "second generation" legislative improvements in the U.S. aid program that will make full use of the knowledge of what works. If other industrial democracies were to follow a parallel course of improvements — initially in their country-to-country aid programs, but ultimately in aid channeled through international institutions like the World Bank as well — it would be possible to end, by 2000, the worst manifestations of poverty in the Third World.

The needed improvements, in brief:

- Make a basic commitment to use at least half of U.S. economic assistance resources in a manner likely to have a substantial positive effect on the poor.
- Expand the specific "project" approach, in which resources are used for a defined undertaking to assist a targeted group. Strictly limit the amount of aid that can be spent on general "balance of payments" support — in effect, on bailing out the commercial banks.
- Focus on a much more limited number of countries. Concentrate at least half of the major economic assistance account ("development assistance") on no more than five countries. Given the limited resources, the United States must draw the line between those countries where it funds a set of mutually reinforcing efforts large enough to matter, and those where it is simply showing the flag.
- Increase resources going to key program areas by earmarking certain resources for interventions most likely to benefit the poor. In particular, three areas in which there is legislative precedent for doing this, upon which the U.S. Congress could build, are land reform, microenterprise credit and child survival. Such projects assist the most critical efforts for the poor to acquire assets, jobs and basic health.
- Reduce the overly burdensome congressional reporting requirements on AID. If poverty-targeted projects are to be successful, AID staff must be free to spend more time in the field, using their expertise to jointly and effectively administer those projects with local officials, and not be buried at their desks with unnecessary paperwork.

In sum, our finding is that even if the amount of aid resources cannot be increased, striking advances can be made in helping the poor and achieving broad-based economic growth, not through radical program change but through a highly realistic and realizable set of legislative and administrative adjustments.

The writers, development specialists at the University of Washington School of Law, contributed this comment to the International Herald Tribune.

Japan Is Long on Yen, Short on Experts

By Robert M. Orr

TOKYO — During Prime Minister Noboru Takeshita's recent visit to Washington, the new Bush administration played down Japan's military role and "burden sharing." Instead, to the relief of the guests, it was suggested that foreign aid was the most appropriate way for Japan to fulfill its global responsibilities.

This year the projected $11.4 billion in estimated disbursements should make the Japanese foreign aid program the largest in the world.

The aid white paper that the Japanese Foreign Ministry published last year admits that, like Japan's industrialization in the last century, "catching the West" was one of the underlying reasons for supporting dramatic expansion of the aid budget. Now that that goal has been accomplished, it is time for Japan to retrench and make serious efforts to reform and streamline the system.

While aid volume has soared, the system and the number of personnel have changed very little in 15 years. As aid expenditures increased 5.2 times since 1977, spending per staff person expanded 350 percent. In other words, while in 1977 aid spending was $1.56 million per staff person, it reached $5.34 million in 1988.

Take Indonesia, where Japan disbursed more than $700 million in 1987. Including the Japan International Cooperation Agency, the Overseas Economic Cooperation Fund (OECF) plus Japanese Embassy personnel working on aid policy, there are only 20 individuals responsible for administering the entire program. In contrast, in 1989 the United States will have 41 American aid experts plus 69 local employees on hand to implement a program of a little more than $57 million.

Furthermore, the Japanese aid program employs virtually no developmental specialists. Those who have the most experience in developing countries normally come from consulting and trading companies. With the dearth of government development hands, it should come as no surprise that the private sector has had a key role in the aid program.

With the tremendous influx of funds in recent years, the OECF, which is largely responsible for yen loans, admits that it has a serious problem in identifying worthy projects. Yet strong pressure has been put on the OECF, with its 36 overseas officers, to spend these aid budgets.

Despite sincere government efforts to improve project evaluation, this also remains a weakness.

The combination of these problems means that the program is sometimes ripe for scandal. One of the strengths of the Japanese aid program until now has been public acceptance of ever higher spending levels. Public revelations of misspent aid funds could be damaging.

Thus, persistent calls in Washington for Japan to formulate even larger aid budgets do no one any favors. This includes Japan's poorest recipients, which have difficulty absorbing the avalanche of aid funds.

What is needed now is to strengthen the various mechanisms of collaboration with Japan so that Tokyo can take advantage of the much longer aid experience of Western donors, while at the same time compensating for the very real aid shortfalls, especially in the U.S. program. There are consultations, but they should be intensified. This ought to be regarded as a priority of the Bush administration's foreign aid and Japan policy.

Opportunities for foreign consulting and engineering firms interested in bidding for Japanese aid projects must continue to be opened up. The general outcry of yen loans has been going on for several years and is beginning to bear fruit for non-Japanese companies. Just a few weeks ago, Britain's General Electric Company signed a $64.8 million deal to supply the Thai railway system with new signaling equipment. The project will be funded by Japanese aid in the form of OECF yen loans. GEC managed to win the project by outbidding Mitsui, something that would have been unthinkable just a few years ago.

This could become increasingly common. Last year Britain and Australia held seminars in conjunction with Japanese government representatives to alert their companies to the possibilities. In October, Ambassador Mike Mansfield made a similar pitch to American businessmen. The U.S. Agency for International Development plans a seminar on this theme.

Japanese policymakers increasingly point to foreign aid as their most concrete contribution to the global community. From now on, greater attention must be paid to reforms in the aid system, strong collaboration with other donors and use of the diverse experience of foreign concerns. This can help to assure that the money is spent wisely and not simply thrown at perceived problems.

The writer, assistant professor at Temple University Japan and author of "Making Japanese Foreign Aid Policy," contributed this comment to the International Herald Tribune.

The Truth Was Reversed While the Ghetto Burned

By Haskell Nordon

NEW YORK — With Poland's accusation that it was Soviet forces who massacred Polish officers — and not the Nazis, as Stalin claimed — the Katyn Forest tragedy is coming full circle.

This Polish wartime trauma, involving thousands of Polish officers whom the Russians captured and who disappeared before the Nazis attacked the Soviet Union in 1941, cannot be finally resolved without addressing two largely unknown features of the massacre.

First, a significant number of the victims at Katyn, in the Soviet Ukraine, were Jews. Because the 4,443 officers executed included many academicians, doctors, lawyers, etc., there were among them a disproportionate number of Jewish professionals. They are the forgotten victims of Katyn.

One has only to scan the official German list of bodies that the Nazis had exhumed to find numerous names such as Levinson, Epstein, Zusman, Frenkel, Nierenberg, Rosen, etc. One also finds in that document how, ironically, German precision unwittingly displaced Nazi mendacity and gave truthful history a chance to emerge.

The document includes an example of the identification tags found on the bodies. This representative tag is from the body of Major Marcus Ulrik. The letters MOJ on the tag identify him as a Jew because the code MOJ (for the Polish word *Mojzeszowy*) was used by the Polish military to identify those of "Mosaic persuasion," while Roman Catholics were coded KAT (*Katolik*).

I am one of the few who saw the officers before they were transported inland, and finally to Katyn. As a civilian physician, I was allowed to provide medical help at the prisoner-of-war camp near Rovno, now in the Soviet Ukraine. The Soviet authorities allowed me to perform medical duties because of their extreme fear of a typhus epidemic, and they opened the gates whenever I transported suspected cases to hospitals.

I was able to rescue a number of academicians, except my own friend, Dr. Leon Glikman, who refused to leave his comrades. He is an unsung hero of the Katyn horror. I found him after the war as corpse No. 394 on the Katyn list.

Second, the Katyn killings allowed the Nazis to unleash a hate campaign in the Polish press and on posters all over occupied Poland, proclaiming the massacre to be the "work of Jewish Bolsheviks."

This propaganda was carried out to further numb the Poles' conscience and to justify an indifference to the fate of their Jewish compatriots. It explains in part the gruesome, surrealistic picture of undisturbed life in Warsaw, with crowds strolling the parks and music in entertainment places, while everyone was aware that in the city center explosions and flames were reducing the Jewish Ghetto and its inhabitants to ashes. The hate campaign was timed to coincide with the liquidation of the Ghetto.

Telling the story now adds new light to the complete truth and makes possible a catharsis — a cleansing of any lingering effects of the Nazi lie that "Jewish Bolsheviks" carried out the massacre. It may help to remind the Polish people not to forget to honor the memory of the Jews who died at Katyn.

The writer, a physician, is author of "The Education of a Polish Jew; A Physician's War Memoirs." He contributed this comment to The New York Times.

On Israel: A Sensible Speech

By A. M. Rosenthal

NEW YORK — The vice president of the United States makes one of the more important and sensible speeches on the Middle East heard in public for a long time. The country reacts pretty much the way the farmer did when he saw a camel for the first time. He shook his head, said there was no such animal and walked away.

Quayle? J. Danforth Quayle? He was hardly anybody's choice for vice president except for his wife, his parents and George Bush. Like just about everybody I know, I had a fit.

All right, one speech, even a dozen speeches, does not invest in him the experience he should have had to be selected. But that is a pretty silly reason not to pay attention to what the man next in line for the presidency has to say now that he has the job.

These are some of his major points in a speech last month in Florida:

1. The Palestine Liberation Organization is an umbrella group that includes organizations publicly committed to terrorism and Israel's destruction. In Yasser Arafat's own organization, some of his lieutenants flatly contradict his peaceful protestations and are not challenged. Mr. Arafat himself threatens the lives of Palestinian leaders who want to achieve a peaceful accommodation with Israel.

The PLO charter calling for Israel's destruction has not been revoked. The U.S. government must be very careful about coming to a conclusion on Mr. Arafat's real intentions.

2. The Palestinians should participate in deciding their own future and Jordan must have a role. But an independent Palestinian state will not be a source of stability or promote peace.

3. The responsibility for compromises rests with the parties involved. The United States will not pressure Israel into accepting a "precooked solution."

4. By the "grisly standards" of some of Israel's neighbors, 400 people killed in the Palestinian uprising may not be "staggering." Far more Palestinians have been killed by Arabs than by Israelis.

5. But Israel is judged by and judges itself on Western democratic standards. Therefore the status quo on the West Bank is clearly unacceptable.

6. The Israelis are preparing new initiatives. The United States encourages them, will oppose one-sided condemnation of Israel and believes as strongly as ever in the mutuality of Israeli-American security and political values.

There was skimpy news coverage, some stories focusing on Mr. Quayle's comments about the unacceptable status quo on the West Bank.

Quayle Criticizes Israel! Is there anybody in his right mind who thinks the status quo is acceptable?

It was a commonsense speech. Israel should put something substantial on the table. But Israelis would be suicidal to accept a Palestinian state now. Under present Palestinian leadership, it would become a springboard for the next stage in the phased elimination of Israel.

Mr. Quayle was not enthusiastic, I am told, about the decision made in the last days of the Reagan administration to recognize the PLO. But in his Florida speech he was not trying to imply criticism of a decision accepted by his own administration. He did want to call attention to the dangers of a drift toward creation of a Palestinian state.

The speech, before the Anti-Defamation League of B'nai B'rith, was approved by the State Department and the National Security Council. Mr. Quayle had expert help writing it; he would have been a fool not to.

But he shaped it. It reflected his own beliefs and attitudes and hopes about the Middle East and American policy toward it.

That is important — as is the fact that he chose to say so. Washington, and American journalism, is full of Israel-bashers eager to use the Palestinian uprising as a lever to turn American opinion and policy against Israel, which they have longed to do for decades. Suddenly the Israel lobby we have been told for years is so strong and sinister in Washington does not seem all that powerful, does it?

Vice President Quayle will not determine American policy, obviously. The Bush-Baker strategy in the Middle East is still forming. If the decision one day is to go against the interests of the American-Israeli alliance, Mr. Quayle will be unable to hold the fort. But he did make a carefully prepared speech that laid out some truths that are no longer quite fashionable. That is a lot more than some vice presidents manage to do during a whole administration, when you think of it.

The New York Times.

100, 75 AND 50 YEARS AGO

1889: Eiffel Tower Rights

PARIS — The Council of State has decided that the Eiffel tower now in process of erection is a part of the public domain until the close of the Exposition, when it becomes the property of the City of Paris, subject to the right of M. Eiffel to charge admission fees for a certain term of years. M. Eiffel not having expressly reserved a right to reproduce models of his tower, he has no such right, and accordingly cannot transfer it to anyone else.

1914: Suffragette Slasher

LONDON — The famous painting by Velásquez, "Venus With the Mirror," in the National Gallery, was attacked by Miss Mary Richardson, a Suffragette, with a meat chopper yesterday [March 10] and seriously damaged. The woman examined the picture a few moments intently and then produced a meat chopper from beneath her cloak and dealt the picture a terrific blow, which she repeated six times. In a statement prepared before the event the woman said: "I have tried to destroy the picture of the most beautiful woman in mythological history as a protest against the Government for destroying Mrs. Pankhurst, who is the most beautiful character in modern history." The National Gallery has been closed until further orders.

1939: Czechs Quell Revolt

PRAGUE — A new crisis in Czecho-Slovakia, threatening the country with civil war, broke out today [March 10] as Czech troops marched into Slovakia to repress a separatist movement, while Bratislava, the Slovakian capital, was placed under martial law. The crisis was precipitated by the dismissal by Prague of the Slovakian Cabinet early this morning, which was followed by the arrest of Mgr. Joseph Tiso, the Premier, and some of his Ministers. Shortly after, martial law was proclaimed in Bratislava, and Czech troops occupied all the strategic centers and roads in Slovakia.

On Israel
A Sensible
Speech

U.S. Envoys Were Seized Near Base, Group Says

By Patrick E. Tyler and Nora Boustany
Washington Post Service

DAMASCUS — Two U.S. diplomats held for eight hours last week by Palestinian guerrillas were carrying surveillance "devices" when they were captured near a commando training base in Syria, the Palestinian group said Friday.

The U.S. Embassy in Damascus declined to comment on the March 3 incident involving the group, the Popular Front for the Liberation of Palestine-General Command, or to identify the envoys.

[The Syrian Foreign Ministry identified the diplomats as the U.S. military attaché, Colonel Clifford Ward, and his deputy, Peter Seigel, Agence France-Presse reported. It said they were arrested after they photographed positions held by the guerrilla group outside Damascus.

[They were apprehended while carrying maps and zoom lenses "in an area they should not have entered," a ministry statement said.]

A U.S. Embassy spokesman said that the United States had urged President Hafez Assad to take action against the group "to ensure there is not repetition of such incidents and that it ends its activities."

The Popular Front for the Liberation of Palestine-General Command is led by Ahmed Jebril and is opposed to the policies of the leader of the Palestine Liberation Organization, Yasser Arafat.

A spokesman for the group, Anwar Raja, said that Mr. Jebril was not available to comment Friday.

But he confirmed that the U.S. diplomats were seized outside what he said was a training base on the eastern outskirts of Damascus.

Western sources in Damascus suggested that the base had been of interest to several foreign embassies, whose military attachés monitor Palestinian guerrilla activity.

While the group did not specify the devices allegedly carried by the diplomats, a spokesman said he believed these included a camera.

Last week, Mr. Jebril vowed to carry out the order by Ayatollah Ruhollah Khomeini, the Iranian spiritual leader, that Salman Rushdie be killed for his book "The Satanic Verses." Moslems consider the novel blasphemous.

Mr. Jebril's threat was condemned by Washington, and the State Department called on Syria to prevent it from being carried out.

Also of concern to the West is Mr. Jebril's possible connection to the bombing of a Pan American World Airways flight on Dec. 21 that killed 270 people over Scotland.

Mr. Jebril has denied involvement in the bombing. But he recently told a U.S. television network that members of one of his cells, which was broken up in October by the West German police, possessed barometric pressure devices that could be used to blow up airliners.

U.S. and Asia Are Devising a Strategy Against Soviet 'Peace Offensive'

By Michael Richardson
International Herald Tribune

SINGAPORE — Anticipating further reductions in Soviet military activities in Asia and the Pacific, the United States and its allies in the region are developing a common strategy for dealing with a Moscow "peace offensive."

Western diplomats said Friday that the strategy being discussed by the United States, Japan, Australia and other nations was intended to maintain solidarity as the Soviet military threat was seen to recede. Among other things, efforts are being made to establish an Asia-Pacific forum for economic cooperation.

Moscow, by lowering its military profile in the region, has allowed economic and political differences between non-Communist countries in the region to show through more clearly, Asian officials said.

U.S. officials said that a major component of a Pacific policy agenda being drawn up by the Bush administration was the need to reconcile U.S. security commitments with growing economic competition between the United States and dynamic East Asian trading nations led by Japan.

Admiral Huntington Hardisty, commander of the Pacific fleet, said recently that the United States should intensify consultations with allies and friends in the region to develop "a more coordinated approach to dealing with the evolving nature of the Soviet presence in the area."

These consultations, he added, should be broadened to include economic issues so that the United States and its allies avoid "bashing one another and engaging in trade wars."

Prime Minister Lee Kuan Yew of Singapore said in a recent interview with a Taiwanese editor that U.S. trade problems with Japan and the newly industrialized countries of East Asia — South Korea, Taiwan, Hong Kong and Singapore — were suppressed in the past by the need to meet a common enemy.

But now, non-Communist nations in the western Pacific "must expect very few concessions for ideological reasons of competition with the Soviet Union," Mr. Lee said.

As a result, Mr. Lee added, there would be greater pressures on these countries from the the United States "over trade imbalances, political developments, human rights and so on."

In a speech last week in Honolulu, Richard L. Armitage, the U.S. assistant secretary of state-designate for East Asia and the Pacific, said the policy agenda of the Bush administration must incorporate a program of economic security based on free and fair trade.

Describing this as "a major new American priority," he told a National Defense University symposium that the United States should seek a greater share of investment and trade in the Pacific.

U.S. trade imbalances with East Asian countries "have already led to four straight years of real cutbacks in our defense budget," Mr. Armitage added.

Officials of Japan and Australia, which have separate defense treaties with the United States, said that both countries and South Korea were canvassing Asian nations on what support they would give to establishing an Asia-Pacific forum for economic cooperation later this year.

Shigeo Muraoka, deputy minister for international affairs in Japan's Ministry of International Trade and Industry, said in Singapore on Thursday that the forum would try to reduce trade barriers, open channels for investment and increase economic assistance in the region.

Initial members of the group, he added, would be Japan, the United States, Canada, South Korea, Australia, New Zealand and countries in the Association of South East Asian Nations.

Mr. Muraoka was in Malaysia on Friday to discuss the plan before going to Thailand, Indonesia and Hong Kong.

Western diplomats said that the easing of tensions in East Asia as the Soviet Union restores friendly ties with China, and after persuading Vietnam to withdraw its forces from Cambodia, was also tempting non-Communist nations in the region to cut defense spending.

However, the United States, which must reduce its budget and trade deficits, is insisting that these nations do more to share the cost of maintaining regional security.

Daryl Arnold, the U.S. ambassador to Singapore, said recently that countries that were "prospering under the protective umbrella of the American military presence should absorb more of the costs of that protection."

The United States would be negotiating with Japan, South Korea, the Philippines and other ASEAN countries "on ways to make this happen," he added.

At the defense symposium in Honolulu, Admiral Hardisty said that Soviet troop cuts and other Asian initiatives announced by Mikhail S. Gorbachev since 1986 had caused some Americans to "think that an opportunity for the U.S. to pull back its Pacific forces has arrived."

Noting that Moscow had recently announced substantial troop cuts in Europe and on the Chinese border, he said he would not be surprised to hear of further cuts in the Pacific.

But he cautioned that even if such reductions occurred, they should not be followed by "major drawdowns" of U.S. forces deployed in East Asia and the Western Pacific.

He said that a third of U.S. foreign trade was in the Pacific, where the United States also has seven of its 10 mutual defense treaties.

"Our forward deployed forces are the glue that binds those alliances together," he said.

Rear Admiral Thomas A. Brooks, director of U.S. naval intelligence, told a congressional committee in Washington last month that the Soviet Navy had scaled back submarine production, reduced operations of the Pacific fleet and maintained vessels in port for longer periods while reducing their time at sea.

He contended, however, that even with the cutbacks, the Soviet Navy had grown more effective because only obsolescent vessels had been removed from the fleet.

CHENEY: *Congressman Selected to Head Pentagon*

(Continued from page 1)

was as a congressional fellow, 20 years ago. He worked under Donald H. Rumsfeld in the Office of Economic Opportunity, the anti-poverty agency of the Nixon years, and as a staff assistant in the Nixon White House in 1971, and as assistant director of the Cost of Living Council in 1971-73. It was the agency President Richard Nixon created to battle inflation.

In the House, Mr. Cheney fought for aid for the Nicaraguan contras and fought on the floor against one of the most powerful Democrats — Representative Dan Rostenkowski, chairman of the Ways and Means Committee — to make a tax-revision bill closer to President Ronald Reagan's designs than Mr. Rostenkowski would have preferred.

Mr. Cheney's voting record places him as an unyielding member of the Republican right, while his image is that of a pragmatist.

When Mr. Rumsfeld went to Brussels as NATO ambassador, Mr. Cheney joined a brokerage firm in New York and Washington. After President Nixon resigned, Mr. Rumsfeld asked Mr. Cheney to help him reorganize the White House. Mr. Cheney divested himself of his business interests and went to the White House in 1975.

Mr. Cheney served Mr. Ford first as a deputy assistant, then within months, at age 33, was made chief of staff.

When Mr. Ford narrowly lost his bid for a full term in the presidency, Mr. Cheney returned to Wyoming. He ran for Congress in 1978 and easily won election as the state's congressman at large. He has been re-elected by large margins ever since. Had he remained in the House, he was expected eventually to become the House Republican leader and, if the party gained control, to become speaker.

Mr. Rumsfeld, who had gone on to become Mr. Ford's defense secretary, said of Mr. Cheney in 1976 that he was "one of the most talented people" he had ever met.

Mr. Rumsfeld was one of those discussed in the past two days as a defense nominee to succeed Mr. Tower, while Mr. Cheney was not.

The naming of a new candidate had gained urgency in light of evidence the Pentagon is close to bureaucratic paralysis because of the time lost in the battle over Mr. Tower.

Decisions need to be made across the Pentagon, including the staffing of crucial positions, Mr. Bush's plan to cut almost $6.4 billion from the Pentagon budget, and on a special 90-day strategic military policy review the president has set in motion.

Mr. Bush expressed an eagerness Friday not to dwell on the rejection of Mr. Tower. He said Democratic leaders in the Senate "had given their word to me and that means a lot" that they were willing to cooperate with the new administration.

But even as Mr. Bush reached out, Vice President Dan Quayle accused Senate Democrats in a speech in Indianapolis of engaging in "a McCarthyite mud-slinging campaign" against Mr. Tower and waging an "assault on the powers of the presidency."

Mr. Bush turned aside questions about Mr. Quayle's remarks by saying he hadn't read them. "So I can't tell you whether he speaks for me," he said. "I speak for myself. He speaks for himself." *(AP, UPI)*

BUSH: *Will Scars Mar His Term?*

(Continued from page 1)

nent opposition mentality" among Democrats, adding that the Bush administration "has got to show you can't attack core powers of the presidency with impunity."

Republican veterans of the Reagan administration have contended in private for the last two weeks that the Bush White House has mistaken motion for progress while ignoring what it means for the Democrats to control Congress. They fear the Tower fight will embolden Democrats for policy fights.

Mr. Bush recognized in his presidential campaign the public desire for what he termed "kinder, gentler" government policies. That raises the danger, Mr. Eizenstat said, "that he will put up something modest — child-care credits or a small education program or a little more spending for the environment — and therefore open the door to a much more aggressive and broader agenda in the same area."

"That will make it more difficult to draw a line in the sand, as Reagan did."

Senate Democrats — especially Mr. Mitchell and Sam Nunn of Georgia, the chairman of the Armed Services Committee, whose opposition to Mr. Tower swung all but three Democrats to his side — emerge strengthened from this fight.

The power Mr. Nunn displayed has produced a new word for the political lexicon: "nunnpartisanship," which is why the Republicans believe they lost.

Mr. Mitchell proved not only to be a careful vote-counter but a skillful leader who displayed judiciousness and passion, when needed.

But the two may now find themselves in the same situation Mr. Bush found himself after the election: needing to reach out to the losers in a gesture of goodwill. That is what they were doing Thursday.

ALBANIA: *A Surprising Trip Through a Time Warp*

(Continued from page 1)

ing and staring with a blankness that was unmenacing, but impenetrable.

Once or twice the crowd moved beyond an invisible line 20 meters from the hotel; whenever unarmed policemen indicated this, often without words, the crowd melted back again.

Men — soldiers or civilians — unselfconsciously wandered arm in arm. Not once did a visitor witness affection, not the merest embrace, between man and woman.

What the sexes do share are the workload and the omnipresent cigarette. "You have to remember that we were 400 years under Turkish rule," our Foreign Office informant said. "But we have no drugs, no prostitutes, no skyscrapers here."

And, so far as the eye could see, no obesity but no visible signs of hunger either. No beggars, no destitution on the streets, no one in rags and no one in jewelry.

The color of clothing is drab, the middle-aged wear 1950s business suits, the young wear bell-bottom trousers. No one appeared inadequately dressed for the warm afternoon or the cool evening.

Two other images remain:

One is of Bryan Robson, England's soccer captain and a vastly experienced traveler. His first night was sleepless because of stomach cramps — food poisoning, according to the England team physician, who supervised the importing of food and the orders to players not to brush their teeth in Albanian tap water.

The second, keeping me awake, is a haunting photograph in Tirana's immense National Museum. This depicted Mussolini's army commanders addressing a group of Albanian workers, and from the face of one worker, standing an arm's length from his fascist visitor, comes a look of such contempt, such mistrust, that he could have been silently portraying the whole cause of Albania's isolationism.

4 Beheaded in Saudi Arabia

Reuters

NICOSIA — A Filipino woman and three Yemeni men were beheaded in public in Saudi Arabia on Friday.

EGYPT: *Poison Gas Capability*

(Continued from page 1)

course, don't make any such factories.

[Mr. Mubarak spoke after meeting with senior European Community officials, including Jacques Delors, the president of the EC Commission, as part of a European tour to win support for an international Middle East peace conference, which Israel opposes.]

The Swiss official, who has responsibility for nonproliferation issues, said Switzerland had raised its concerns with the United States last year, hoping that Washington would use its leverage with Egypt to ensure that President Mubarak would provide assurance that the plant would be used only for civilian purposes.

"When you ask whether Switzerland or the United States has more leverage with Egypt, the answer is obvious," the official said, alluding to the $2.3 billion in military and economic aid that Washington provides annually to Egypt.

But a U.S. official said Switzerland had been slow to demand that Krebs sever its connection with the project in Egypt.

"All the stuff is there now," the official said. "It is too late." The U.S. official asserted that the Swiss have been aware of American concerns about the Krebs role in the project for several years.

Another American official said the United States had recently conveyed its concerns to Egypt about the project but added that it was not yet clear what, if any, effect that would have on Egypt's presumed plans to upgrade its chemical-weapon capabilities.

That official asserted that the recent Swiss action reflects sensitivity about the role that West European concerns have played in spreading chemical weapons after the dispute over the Libyan chemical weapons plant.

The president and managing director of Krebs, Hans Rudolf Weber, said in an interview that the company had agreed to the Swiss government request to discontinue its relationship with the project.

Mr. Weber said the company had never knowingly helped a country develop chemical weapons.

"We have never to our knowledge planned or aided in the planning or sold a plant which could produce poison gas or chemical weapons," he said.

The Swiss official said his government first received reports that Krebs might be involved in a project to build a poison gas plant in late 1986. He said Swiss authorities informed Krebs in 1987 and looked into the matter throughout 1987.

At first, he said, it was difficult to find "decisive proof." But as the evidence increased, he said, "We had a bad feeling."

The Swiss official acknowledged there was a long delay between the initial reports about the plant and the Swiss government's recent demand to Krebs.

But he said the Swiss government could not act earlier because it does not have tough export laws on the sale of equipment and expertise to make chemicals.

A U.S. official said Switzerland should be faulted for failing to take effective action until after the plant equipment was delivered. "They waited until the checks were cashed," the U.S. official said.

Egypt first acquired chemical weapons in the early 1960s, probably from the Soviet Union, and used them in Yemen, according to a report by W. Seth Carus, an expert at the Washington Institute for Near East Policy.

Egypt is believed to have supplied a small number of chemical weapons to Syria before the 1973 Middle East war.

U.S. officials say Egypt has the ability to make mustard gas and nerve gas. Egypt is believed to have approached Krebs in 1985 in an effort to improve its ability to make chemical weapons.

That occurred about the time Libya, with whom Egypt has tense relations, was seeking Western assistance to build a chemical weapons plant.

Bush Selects Final Group For His Staff

Washington Post Service

WASHINGTON — President George Bush has commissioned a final group of White House staff members, including much of the public liaison office.

Sinchan Siv, whose family was slain by Cambodian Communists, became deputy assistant to the president, 13 years after escaping Cambodia through the jungle.

Others in that office include Doug Wead, a former Assembly of God minister who did campaign work for Mr. Bush among evangelicals and B.G. (Bobbie) Kilberg, a lawyer long involved in the moderate wing of the Republican Party.

Meanwhile, Richard Thomas Crowder, a Pillsbury Co. executive, was named undersecretary of agriculture for international affairs.

Mr. Bush announced three top-level Commerce Department selections: Thomas J. Collamore as assistant secretary for administration; William Douglas Fritts Jr. as assistant secretary for congressional affairs, and Deborah Wince-Smith as assistant secretary for technology policy.

At the Treasury Department, Richard Porter has been named deputy assistant secretary for policy review and analysis. He served on the Bush campaign staff.

David Nummy was appointed deputy assistant secretary for management and budget.

INTERNATIONAL Herald Tribune
Published With The New York Times and The Washington Post

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INTERNATIONAL POSITIONS

The World Health Organization (WHO) is an inter-governmental agency internationally recognized for its efficiency, integrity and numerous lasting achievements, including the eradication of small pox. Guided by humanitarian concerns, WHO works to direct and coordinate global and national efforts to improve the health of peoples in more than 160 member countries at all levels of development. To meet its objectives, WHO depends on staff members with special qualities of leadership, dedication and commitment.

We invite applications for two top positions in our regional administrative management reporting directly to the chief executive of the region/program concerned.

DIRECTOR SUPPORT PROGRAM
Regional Office for Europe
Copenhagen, Denmark.
This office manages 12 major regional health programs in 32 Member States. It has an annual budget of U.S. $25 million and about 250 employees.

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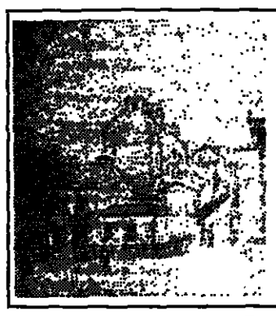

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ARTS / LEISURE

New V&A: Socks in Museum, Silver at Harrods

International Herald Tribune

SOUREN MELIKIAN

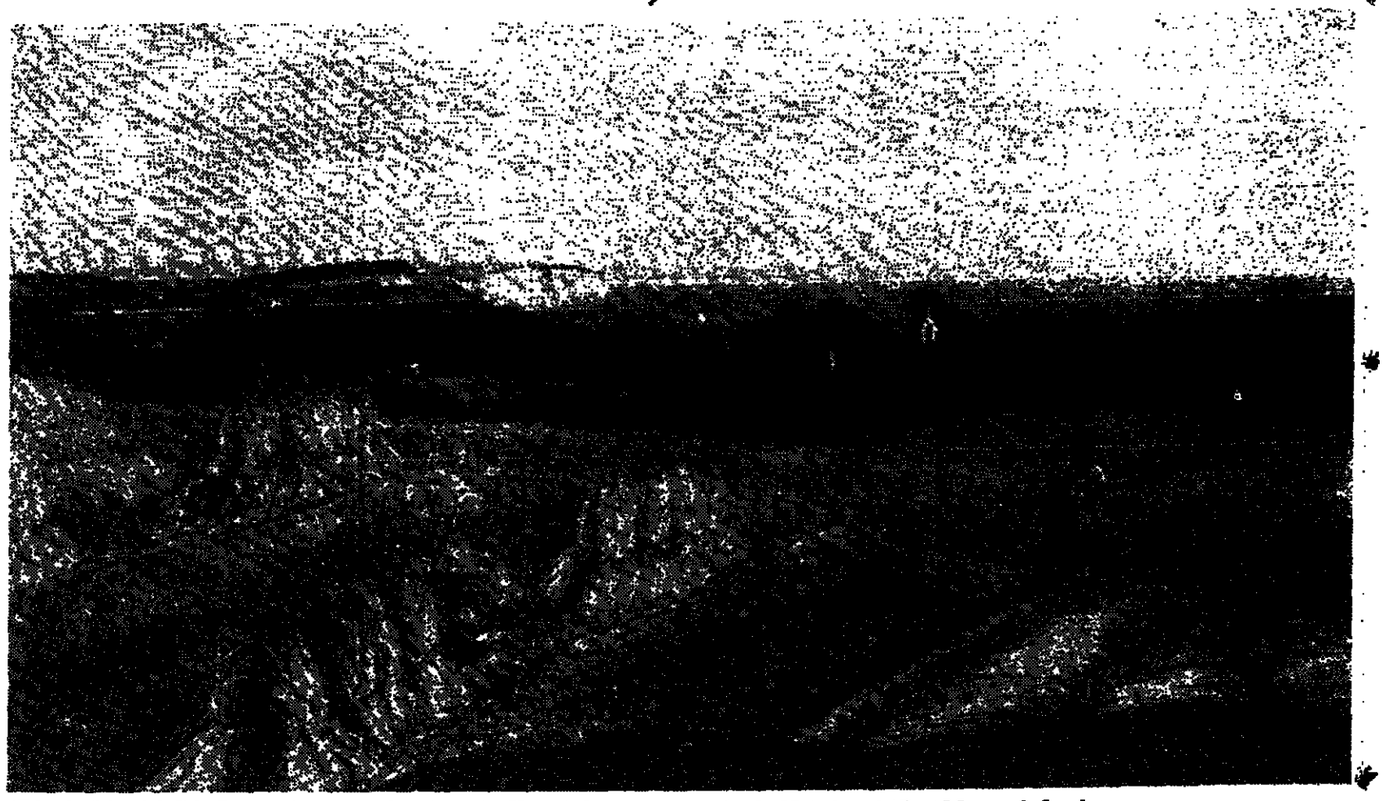
LONDON — Strange exhibitions carrying the V&A imprint are suddenly sprouting within the Victoria and Albert Museum, and outside, too. They throw a crude light on the ongoing reorganization of the institution and on the heavy-handed exploitation of a national museum for the benefit of private business in a way that is putting its art collections at considerable risk.

Some of the new shows look like spoofs generated by the brains of the Marx Brothers turned museum entrepreneurs. As visitors walk past the great Islamic room and what is left of the Indian rooms to the Costume Court, where one of the most important collections of Western costumes is displayed with supreme elegance, they stumble upon an incongruous sight.

Stuck in a flat glass case all by itself, two Burberry outfits are displayed as they might be in any London shop window, against a backdrop of magnificent 18th-century court dresses. A board on a trestle, zappily titled in pseudo-U.S. media language "The Burberry's Story — 12 December-6 August 1989" explains it all. It begins with this quote from an old magazine: "Messrs. Burberry are indeed wonderful people for every article of attire." In case the more obtuse art lovers straying into the place might not get it, the board proceeds to spell out the message: "Shown here is part of the new collection of clothes launched in 1988 under the founder's name Thomas Burberry. . . . A display of historic Burberry garments can be seen at the other end of this gallery."

The display of history, as read by Messrs. Burberry, is stashed in a 4-yard-long case at the opposite end of the court. As you wind your way out, an assortment of old macs from Granddad's attic, ranging from Edwardian times to the mid-1970s, greets the eye. I suddenly found myself staring at the trench coat I was wearing, graced with a label that made it feel ever so grander: "Man's Trench Coat, c.1970, English, Burberry's, London, Cotton, Gabardine; cotton-line to house check." Feeling slightly nervous in case I got stopped by one of the museum warders — "May we see your museum pass for that Burberry's you are wearing, Sir?" kept ringing in my ears — I went over to the other "design show."

In room 95, on the second floor, the subject is socks. Another board on a trestle explains: "Display of Modern Hosiery Design From SOCK SHOP including designs by Workers for Freedom, Jasper Conran, Betty Jackson, Artwear, English Designers." Hanging on the walls, long vertical banners carry the concerned designer or design company's name and, in larger print, the SOCK SHOP logo repeated each time. Socks can indeed be seen displayed in traditional commercial style, missing only the price tag. But that is not difficult to get. SOCK SHOP has branches all over London.



"Isle of Wight" (1863) by Richard Burchett has been loaned to Harrods department store by the Victoria and Albert Museum in London.

While the promotional advantage for a shop to stick its latest line of wares for sale in prime museum space, courtesy of the British taxpayer, is too obvious to require comment, the point in doing so from the museum's angle is more elusive. Few would expect a museum where space is barely sufficient for its permanent collections to lend a room for seven months and spend money to install merchandise to be seen any day wherever it is for sale. At that point a question springs to mind: Did some ardent admirer of shopkeeping decide that there should be a free two-way traffic of merchandise and art between the museum and the world of commerce?

The current loans to Harrods, the London department store, of works of art from the collections of the Victoria and Albert Museum and the historic houses that come under its umbrella suggest that something of the kind is in the air. The first show on the ground floor includes some of the most famous silver from Apsley House, once the residence of the Duke of Wellington, on the corner of Hyde Park. The Portuguese Service is there, and so is one of the greatest specimens of neoclassical silver, the Waterloo Vase. Blazing away in all its glory, it faces the sprinkling of banal silver vaguely imitating 18th- or 19th-century styles scattered a few yards away.

With luck, customers from faraway countries will put two and two together and see it all as the seal of approval kindly conceded by the V&A to Harrods design.

Further on, loans of an even more surprising nature fill a long glass tank. The Berlin Service, also from Apsley House, was ordered by the Duke of Wellington from the Berlin porcelain manufacture. With its figural scenes in rich polychromy, and lots of gilding, it teeters on the brink of kitsch. But its historic character is not in doubt, nor its fragility. To have it on view in a department store in an ordinary glass case with no top — never mind the terrorist action of a few years ago, any toddler might toss an innocent ball — is a first in museum security annals.

That, however, is a little pleasantry compared with the third Harrods show. On the third floor, in the middle of the furniture department, 13 paintings of the English school from the V&A collection are hanging on the partitions defining the space of a narrow living room. Although a large banner carries the title "A Green Thought in a Green Shade, British Landscape Paintings from the Victoria and Albert Museum," the focus is decidedly on indoor living. The pictures are stage props to tout the furniture for sale. John Crome's beautiful and virtually unknown "On the Skirts of the Forest" faces what Harrods describes as a "good quality Victorian Papier Mâché Work Box with Fitted interior, £2,250."

To have the Duke of Wellington's Berlin porcelain service on view in a department store in an ordinary glass case with no top is a first in museum security annals.

On the opening day, the heat in the small space was unbearable. A jet of thick white steam came out of a humidifier intended as a compensation for the desiccation caused by the many spotlights. Unfortunately, no conservator was at hand to appreciate the attention so graciously lavished upon the museum pictures. As I elbowed my way through on three separate occasions, I failed to see a single V&A staff member. Shopkeepers, after all, are just as good in the new managerial philosophy.

Seen in this light, the whole scheme thrust upon the museum by the director, Elizabeth Esteve-Coll, and her managerial assistant whereby curators would focus on research, while "collections management" (displaying and handling the objects, taking charge of exhibitions) would be left to administrators, which seemed incomprehensible at first, at last makes sense. The old fogeys might be throwing wrenches in the works with their tendency to stick to museum rules. Some tried last summer when the new exhibitions policy was tried out with the first blatantly commercial show ever at the V&A. At about two weeks' notice, an assortment of Elton John's run-of-the-mill pots, metal pieces and sundry objects of a kind that can be picked up at flea markets and were to be auctioned at Sotheby's, invaded the best museum space for two weeks. The museum was never involved in the selection, Sotheby's department informed me at the time. There was no museum catalogue, only Sotheby's sale catalogue. The estimated prices were printed on the labels in the show cases.

This runs counter to museum practice, which forbids curators, when giving opinions to the public, to give commercial estimates. But, then, public service rules of greater import appear to have been violated all the way through in order to reach the present pass. In a televised debate, former V&A keeper Claude Blair noted that the appointment of the new director, Esteve-Coll, broke the rules of senior Civil Service appointments. The terms of appointment stated that the director was to be a recognized scholar of international standing. She is no scholar, nor did she have previous museum experience.

When two senior administrative positions were created last month under the new structure, "Assistant Director (Administration)" and "Assistant Director (Collections)," they should have been advertised. Instead a museum notice flatly announced: "The Assistant Director (Administration) is the new title by which the present chief Administrator, Jim Close, will be known with effect from March 1, 1989." Jim Close is not a museum man but a civil servant seconded a few years ago from the Treasury to the museum. His contract was extended. In 1987, his position was upgraded without open competition. It has now been upgraded a second time and set in concrete, again without the competition demanded by Civil Service rules for such appointments. By contrast, the position "Assistant Director (Collections)," was advertised in the London Times. It has yet to be filled.

More astonishingly, an article in the Daily Telegraph has just revealed that the V&A underspent by at least £300,000 (about $515,000) on this year's planned £7.4 million (about $12.7 million) building and maintenance work. As it happens, £300,000 is said to be the amount that the museum must cough up to pay off the curators sacked last month who, all but one, chose to accept the offer of so-called voluntary redundancies. It now appears that the amount, which, the press speculated, might have to come from a Treasury grant, may be found thanks to lucky underspending on maintenance — in breach of public budgeting rules, if this is carried through.

All this restructuring, it was claimed by the director, had been "unanimously approved by the Board of Trustees." But the trustees, none of whom have any art museum experience, were all appointed by the government, in contrast, for example, to those of the British Museum. Even so, one of them, Professor Martin Kemp, not only resigned on Feb. 25, but angrily said that the possibility of making "eight senior curators" redundant was not made clear to the Trustees. They were given, he protested, an inadequate summary of the restructuring 30 minutes before meeting for approval. Indeed, Esteve-Coll said to the assembled staff of 200 or so that "there will not be any redundancies."

The truly ominous aspect of a plan apparently concocted by non-specialists to be sprung in surprise on the museum concerns the world heritage, not just one institution or even one country. The art in the museum is now seen — and handled — as a commercial asset over which private interests and the management enjoy absolute precedence as they inevitably must when administrators, not the curators, wield ultimate responsibility. When the director was asked about the near-miss disclosed in this column (IHT, Feb. 4), in which the greatest Romanesque object from Britain came close to being destroyed by workmen, her reaction reportedly was not to deplore it but to complain that the staff had "no loyalty."

Much has been made in recent months of the American model as perceived in some British circles. No major museum management in the United States would survive either such a high-handed attitude about the treasure in its care, or the commercial hijacking of museum art and resources. There would be a congressional inquiry by now in what is beginning to look like a museum Watergate scandal.

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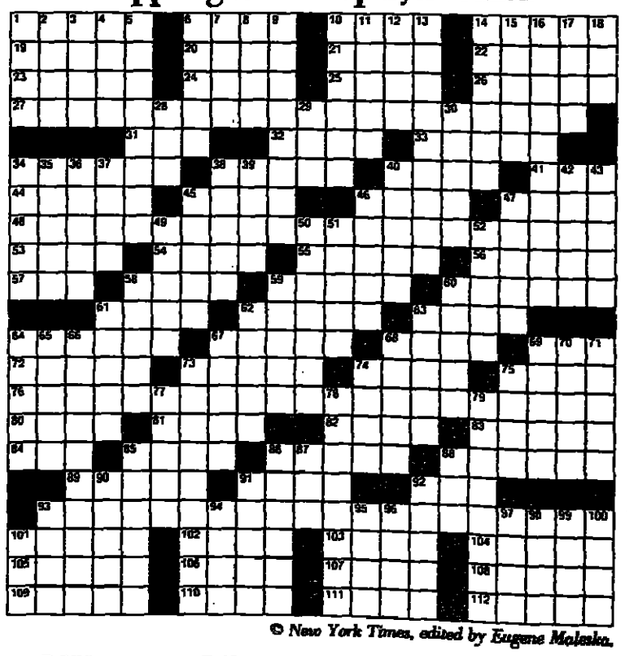
Tippling to the Top By Alfio Micci



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30 Worthless writing
34 Cockcrows
35 Like World Series pitcher Larsen: Oct. 8, 1956
36 Oscar-winning director of "Platoon"
37 Use the VCR
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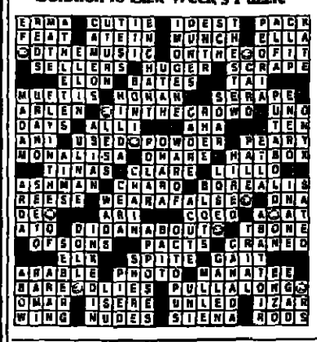
Solution to Last Week's Puzzle



SATIRE IN WORDS AND PICTURES
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ARTS / LEISURE

Streep to Play Film Evita, Winning a 10-Year Marathon

By Peter H. Brown
Washington Post Service

LOS ANGELES — Meryl Streep is to sign a contract with the Robert Stigwood Organization to play (and sing!) "Evita," ending a decadelong search for the right actress — a search that in some ways resembled the hunt for Scarlett O'Hara 50 years ago.

Director Oliver Stone remained closeted in his Santa Monica, California, beach house writing a shooting script for the musical based on the life of Argentina's manipulative showgirl-turned-first-lady-turned-patron-saint Eva Duarte Perón. Meanwhile producer Robert Stigwood was working from Bermuda to pave the way for filming later this year.

It has been exactly 10 years and five months since Bette Midler jetted back to Hollywood from a world tour to find that her agent had been approached by Stigwood's company, which wanted to "chat a bit" about her chances of playing the Argentine bombshell in the movie version of the Andrew Lloyd Webber-Tim Rice Broadway smash.

Negotiating furiously in the background that same month were producer Jon Peters and his then-wife, Barbra Streisand, offering a package deal if Streisand could nab the choice role.

In the tumultuous ensuing decade, the project has been in and out of three studios, surviving the takeover of one and such tangential factors as the Falklands war and the end of Argentine military rule.

Seven directors have had their hands on the project — notably Britain's Ken Russell and America's Herbert Ross. And 36 actresses have handled the script — from Broadway's Patti LuPone, who lost her chance by refusing to screen-test, to rock vamp Madonna; from Liza Minnelli to London thespian Elaine Paige.

The story started quietly and confidently in the late '70s, when Stigwood — fresh from the successes of the movies "Grease" and "Saturday Night Fever" — sold the rights to "Evita" to EMI for just more than $7.5 million. Stigwood was to be producer and creative director.

At EMI's London headquarters, studio brass were discussing the project with director Michael Cimino, who had just finished the Oscar-winning "The Deer Hunter."

Unbeknown to EMI, Stigwood had been approached by Jon Peters about the project. "He said he could deliver Streisand if he was allowed to produce," Stigwood said in an interview last week from Bermuda. "I thanked him but reminded him that I would remain as producer. And that's how Streisand's name first became connected with this project."

But first, Thorn took over EMI and forced the corporation to renege on the deal with Stigwood. Then, Cimino's $36 million megabomb, "Heaven's Gate," was released in New York and Hollywood, to disastrous reviews.

Streep beat out 35 others.

Stigwood snatched back his property and carried it off to Hollywood and the front offices at Paramount. A deal was struck, involving the services of the eccentric *auteur* Ken Russell, who had directed the film version of the rock opera "Tommy" for Stigwood in 1975.

Russell and Stigwood at first focused on the eight Evitas then appearing in stage productions worldwide; an unknown number of them tested in New York and London.

But the two men quickly developed an antagonism over Liza Minnelli. For reasons that still aren't clear, Russell apparently said he wouldn't do the movie without her. "So I fired him," said Stigwood. Russell, now in Hollywood working on a film, declined to comment.

The Stigwood group wanted the London stage Evita, Ellen Paige; Paramount agreed, so Stigwood cast about for a bankable director who could handle a musical. But two major contenders backed out: Herbert Ross, who had directed Streisand in "Funny Lady," and Sir Richard Attenborough, who had directed the musical "Oh! What a Lovely War!" and had recently completed "Gandhi."

With the project begging for a director, Paramount dumped it.

Then, in the mid-'80s, Madonna burst onto the scene, and not just as a recording artist but in film and music video. Suddenly, even Stigwood was convinced that "Madonna might be perfect to play 'Evita.'" Paramount, likewise, awakened.

To showcase the bright new star, Stigwood-Paramount courted both Alan J. Pakula, director of "The Sterile Cuckoo," and the Argentine Hector Babenco, who had just completed "Kiss of the Spider Woman." Neither took the job.

Oakes said Madonna went out and recruited directors on her own. "She was able to interest Francis Ford Coppola in the project," he said, and meetings were held, but Coppola pulled out also.

Egos were apparently percolating. At one point, Stigwood said, Madonna "came in and demanded to rewrite Tim Rice's lyrics and Andrew Lloyd Webber's music. And this was unfortunate, because I felt she might have been quite good in the part."

By then, the whole game plan was changing. With Paramount again in default, Jerry Weintraub and Guy McElwaine of the Weintraub Entertainment Group — with Oliver Stone and Meryl Streep in mind — moved in and began trying to buy the rights to "Evita" from the bigger and more established studio.

Stigwood, who signed a three-year deal with the Weintraub group in March 1987, saw "Platoon" and became excited about Stone.

Paralleling the Hollywood developments were cataclysmic changes in Argentina, paving the way for filming the musical in the country where Eva Perón had lived and died.

"I sent Oliver Stone and Bill Oakes on a location scouting expedition to Argentina last year," said Stigwood. "And it was wildly successful. The government opened up places which had been closed since Eva Perón died."

But, having failed for various reasons to film in Spain and later in Mexico, the production team is taking no chances in Argentina. "We met with both factions in the upcoming election," said Oakes. "And we have guarantees that the project is welcome no matter who wins those contests this May."

Stone brought Streep in, McElwaine said, and "it was a great match." To firm up the deal, Streep did preliminary dubbings of the score. The results, said Stigwood, were astounding: "She learned the entire score in a week. Not only can she sing, but she's sensational — absolutely staggering."

Streep's singing ability is perhaps her least-known talent, although she sang in several New York productions. Her biography points out that she played Ado Annie in a high school production of "Oklahoma!" and once wished to "become an opera star."

From Canada, a Show of European Drawings

By Paul Richard
Washington Post Service

WASHINGTON — "Master Drawings from the National Gallery of Canada," at the National Gallery of Art until May 21, is just what one might expect. Intimate and various and frequently delicious, it's the sort of exhibition that can't be gobbled at a glance. Its pictures are too small. You have to taste them sheet by sheet.

It's got piety and violence and a bit of kinky sex. It has a spacious, unforgettable, Bible scene by Rembrandt, a 15th-century Jonah (in the act of being swallowed by a rubbery green whale), a Piranesi fantasy, a magisterial Cézanne. The artists represented — there are 89 in all — include some grand familiar names (Dürer, Goya, Fragonard, Hogarth and van Gogh) as well as men you've never heard of (say, Parrocel, or Orsi). The Canadian show is just the sort of sampling of European drawings one had hoped that it would be.

The Canadian exhibition was initially suggested by the former ambassador Allan Gotlieb, an ardent collector of works of art on paper. It's has been timed to coincide with the imminent opening of Arthur Erikson's new Canadian Embassy across the street.

No Canadian artists are represented in this show. Of the 92 selected drawings on display, two-thirds were bought in London. Some are French and some are German, some are Spanish, others Dutch.

The French sheets are splendid. It's not easy to go wrong with draftsmen as exceptional as Boucher, Girodet, Ingres or Cézanne. But what sets this show apart is its exceptional English art.

Most conventional textbooks, and most American museums, rather sneer at British draftsmen. British landscape painters, except for Constable and Turner, tend to be dismissed as obedient, rather dull copiers of Nature. But that is not what one feels here. John Constable's "St. Martin's Church, Salisbury" (1820), with its storm-tossed trees and driven leaves, and Mad John Martin's bird's-eye view of "View on the River Wye, near Chepstow" (1844), and especially Samuel Palmer's "Oak Trees, Lullingstone Park" (1828) are near hallucinogenic in their strangeness.

Palmer, like his hero, the poet William Blake, saw the holy everywhere. Palmer kept depicting swirling dreams and visions and biblical imaginings, though his painter friends kept telling him such pictures would not sell. Copy Nature, they advised. Palmer did his best.

There are many ways to read this show. You can compare the subtle colors, the tans and terracottas, the reds and browns and blues of the papers and the inks.

You can compare Rossetti's ideal of feminine beauty with that expressed by Ingres (in his image of the Virgin of 1863). But such comparisons are hard to hold. For you are distracted by grand and unfamiliar sheets — say, Gillis Neyts's two-sided drawing of wind rushing through trees, or Paolo Pagani's remarkable wash drawing, "The Assumption of the Virgin" — pictures that so utterly seize your mind that eye comparisons fade away.

"Proud Maisie" (1902), by Frederick Sandys.

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LESOTHO

Investment Incentives: Tax Breaks, Trade Ties

BEING ONE of the world's least developed countries does have a few advantages, including exceptionally favorable trade ties and government encouragement of investors.

At independence from Britain in 1966, the country's industrial base consisted of four small-scale enterprises employing 300 workers. Today the Lesotho National Development Corporation (LNDC), established in 1967 as the key governmental agency in the encouragement of industry and commerce, promotes 51 companies employing more than 10,000 workers.

Those industries, some private, some joint ventures with LNDC, manufacture textiles and garments, shoes and leather goods, pharmaceuticals, building materials, agricultural products, furniture and jewelry. They enjoy preferential access to markets in the region and around the world.

The kingdom has a private-enterprise economy that welcomes investors from all countries. To attract investment into Lesotho from as wide a catchment area as possible, the government, through LNDC, offers incentives competitive with those in the Southern African region: a tax holiday of up to 10 years with possible extension up to 15 years; training grants, 75 percent non-repayable; concessional loans at 11-13 percent; industrial sites and purpose-built factories for lease; free movement of capital (profits and interest subject to 15 percent and 10 percent withholding tax, respectively); double taxation agreements with the United Kingdom, Germany and South Africa; export financing facilities to assist manufacturers in effective service of their export markets; guarantees of foreign investments through the Multilateral Investments Guarantee Agency. (Lesotho is the first country in the region to implement the comprehensive export financing scheme and to accede to MIGA for protection of foreign investments); and opportunities to supply materials and services for the $2.8-billion Lesotho Highlands Water Project.

The latter project, to be implemented over the next 30 years, will harness the mountain kingdom's most abundant resource, water, for sale to South Africa. Investors can tie in with the economic activity it generates by supplying construction materials, food and tourism-related services.

Commissioner of Trade Masebina Letele said Lesotho stresses three aspects of investment: export orientation, import substitution, and job creation coupled with training and transfer of technology.

Nearly a fourth of Lesotho's workers, half the male labor force, migrate to South Africa for work; employing them at home has clear economic and social benefits, particularly in view of declining employment in South Africa's mines.

Lesotho imports goods from South Africa, its major trading partner, that are worth 18 times more than those it exports to its neighbor. That massive trade imbalance inspires import substitution efforts. While the local market is small, just 1.6 million people, many exporters could sell locally and regionally as well as overseas.

Because Lesotho's natural resources are limited, government policy advocates full use of the existing resources and at the same time encourages importing raw materials for manufacturing in Lesotho. The country produces wool and mohair, animal hides, meat for processing, sunflower seeds and produce for canning. In many cases, more value could be added before export of these products.

Excellent clays, building stones and semiprecious stones are available. Diamonds were mined until 1982, when a surplus on the market made the operation unprofitable.

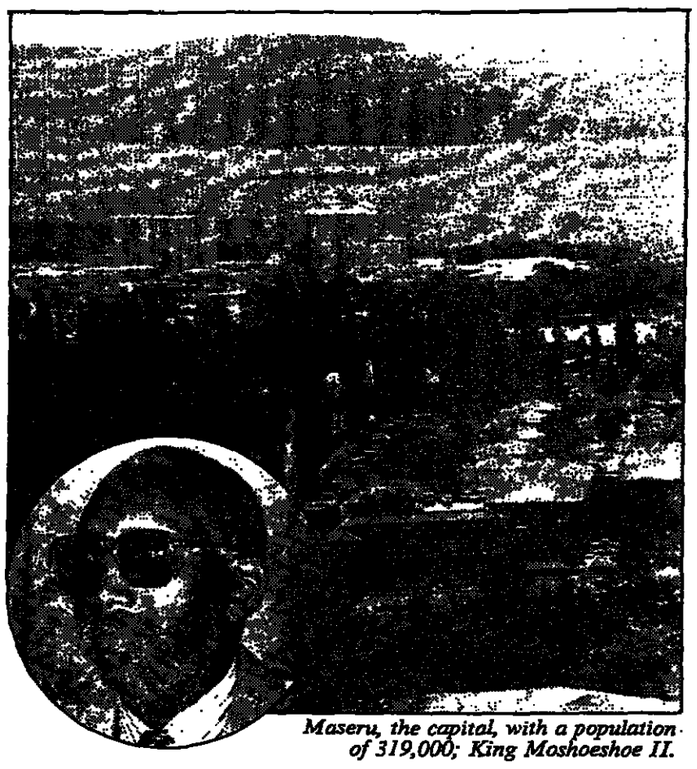
Lesotho's highly literate, disciplined, dextrous and hardworking people are its most valuable resource. The country's literacy rate, above 60 percent, is said to be second highest in Africa. The labor force is dominated by women, but that situation could change quickly as job opportunities attract workers home from South Africa.

Labor unions are not yet strong in Lesotho. S.K. Phafane, permanent secretary in the Ministry of Trade and Industry, said the government is developing collective bargaining policies to keep labor relations smooth.

The kingdom is a signatory to the Lomé Convention, thus gaining duty-free or concessionary entry to the EC. It also has highly concessionary access to the United States, Canada, Scandinavia, Japan and Yugoslavia.

Membership in the Southern African Customs Union, the Southern African Development Coordination Conference and the Preferential Trade Area of East and Southern Africa gives Lesotho manufacturers markets in South Africa and throughout the region. Nearly 9 percent of Lesotho's 1986 exports went to Europe, while 89 percent went to Africa, predominantly to South Africa.

The Trade Promotion Unit of the Ministry of Trade and Industry promotes all Lesotho exports worldwide and offers marketing, technical and management assistance.



Maseru, the capital, with a population of 319,000; King Moshoeshoe II.

Cultural Unity and Political Independence

ON SUNDAY evenings the steady flow of minibuses from the Lesotho capital of Maseru to the industrial and mining centers of South Africa mutely testifies to the kingdom's economic and political realities.

A landlocked enclave of South Africa with few natural resources, Lesotho has long depended on one vital export: migrant workers. The 151,000 Basotho working in South Africa, mostly in the gold mines, are a fourth of the workforce; their wages are almost half the GNP. The kingdom imports nearly all its manufactured goods and most of its food from next door.

South Africa has occasionally exacted a heavy price for that economic dependence. It precipitated a coup in January 1986 by effectively sealing Lesotho's borders.

The military council that then came to power maintains a less confrontational relationship with South Africa than its predecessor, the dictatorial regime of Chief Leabua Jonathan, who had ruled since independence in 1966. The new government, in cooperation with the United Nations High Commission for Refugees, arranged alternative asylum for South African refugees whose repatriation was one of South Africa's conditions for lifting its 1986 blockade of Lesotho.

Lesotho's Military Council, in pursuing its declared policy of internal reconciliation, has welcomed the return of exiled members of the Basotho Congress Party. New elections are proposed for early 1989 for village, ward and district councils. Municipal elections for the country's first municipal councils are scheduled for March 1989.

The country has also strengthened its economic and political ties with the international community and with regional organizations of countries striving to break South Africa's stranglehold on their economies. Now Lesotho is embarking on a massive engineering project that will give it a new commodity to export to South Africa — water — and so bring about a major improvement in the balance of trade.

South Africa will pay the cost of delivering the water — $2.6 billion at 1987 prices — plus royalties for 50 years, a welcome supplement to government revenues.

While not well endowed with natural resources, Lesotho has linguistic and cultural unity of a sort that is rare in Africa. King Moshoeshoe II, great-great-grandson of Moshoeshoe I, who founded the Basotho nation, is the symbol of that heritage. The 29th anniversary of the King's reign will be celebrated on March 12, 1989.

The king is head of state with all executive and legislative authority. The six-member military council, under Major General J. M. Lekhanya, advises the king, and a council of ministers is responsible for day-to-day administration. King Moshoeshoe II has set these goals for Lesotho: survival as a sovereign, non-aligned country; political unification; a new constitution; economic development; self-sufficiency in basic supplies; social well-being; and an independent foreign policy.

Lesotho is one of many Southern African states economically beholden to South Africa's more industrialized economy. As such it has become an active member of the Southern African Development Coordination Conference (SADCC) and the Preferential Trade Area (PTA) of Eastern and Southern Africa, both of which are dedicated to increasing members' economic independence by improving trade among themselves.

International sanctions against and disinvestment from South Africa are a risk to Lesotho but there are potential benefits. Already some companies have moved across the borders or opened substantial operations in Lesotho.

Lesotho also offers potential investors access to a range of international markets that South Africa cannot match. Lesotho exporters can sell their goods not only in South Africa (and in Lesotho's tiny home market), but also in Africa's SADCC and PTA countries. The kingdom's status as one of the world's least developed countries gives it preferential access to Europe and North America.

KHOTSO PULA NALA

LESOTHO HIGHLANDS DEVELOPMENT AUTHORITY

GENERAL PROCUREMENT NOTICE

Lesotho Highlands Development Authority has just distributed a general procurement notice worldwide. It outlines the Lesotho Highlands Water Project. The purpose of the Lesotho Highlands Water Project is to collect and store water in the Malibamatso River basin in Lesotho for transfer northwards towards the Vaal water system in the Republic of South Africa and to help Lesotho to achieve self-sufficiency in the generation of electricity.

The procurement notice invites suitably proficient construction companies around the world to apply for information packages (which are issued for a small fee).

The Lesotho Highlands Development Authority intends to publish a list of equipment and materials which it anticipates will be required for major elements of the Project in Phase 1A. Companies interested in supplying this equipment or material should contact the Lesotho Highlands Development Authority who would introduce them to registered companies for the bidding process.

STATUS OF ENGINEERING PROJECT

The design and drawings for the Water Transfer Component of the Lesotho Highlands Water Project are nearing completion and will be forwarded to Lesotho Highlands Development Authority for review. As soon as Lesotho Highlands Development Authority gives its approval, tender documents will be made available around March-April 1989. The tender adjudication will hopefully be in August-September. Construction works will commence in January 1990 according to schedule. The procurement notice and the resulting tendering process for the Hydropower Component of the Project are still to follow, as the construction thereof will only commence in 1992.

FINANCING STRATEGY

Lesotho Highlands Development Authority have appointed Standard Chartered Merchant Bank Ltd., London (SCMB) to advise on raising finance for the construction of the Water Transfer Component of the Lesotho Highlands Water Project. A finance strategy prepared by SCMB has been discussed and agreed by Lesotho Highlands Development Authority and the relevant Government Ministries and Authorities in Lesotho and the Republic of South Africa.

Due to the highly specialized plant, equipment and construction staff required for this unique field of construction, the basic tenet of the strategy is that all construction contracts should be tendered for on a "with finance basis" and that foreign currency funding should be maximized. The result is that consortiums are being formed by the Republic of South Africa and international contractors so that export credit financing from overseas can be maximised.

For further information about this exciting project please contact:

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Highlands Water Project Capitalizes on Resources

SOUTH AFRICA has its gold, Botswana its diamonds. And Lesotho? Water, more than it can foreseeably use, a surplus that neighboring South Africa has eyed longingly for some time.

The notion of selling that water to serve the industrial and urban centers surrounding Johannesburg first gained currency 40 years ago. The engineering feat of delivering that water — 70 cubic meters (2,472 cubic feet) a second — is now beginning.

The Lesotho Highlands Water Project is not simply a good idea for resource-poor Lesotho; it is something of a revolution. It is set to turn around the massive trade imbalance this small kingdom suffers with South Africa, to employ thousands of Basotho workers, to open a largely inaccessible interior to improved agriculture, commerce, industry and tourism, and to supply the country with the bulk of the electricity it requires. All this and more, paid for primarily by South Africa.

The terms of the treaty Lesotho signed with South Africa in 1986 dictate that Pretoria will pay all costs incurred in delivering the water: dams, tunnels, pumps, even the road improvements and work camp construction. Once delivery of the water starts — presently planned for 1995 — South Africa will pay royalties of $21 million to $42 million (1985 values) for 50 years, after which it will renegotiate the royalty rates.

Lesotho, on the other hand, will pay for the hydroelectric power components of the project, an estimated $235 million, compared with South Africa's expected share of $2.6 billion. The four-phase project is scheduled for completion in 2020.

Phase 1A will be open for tenders-with-finance from April until August 1989, with the contracts to be awarded in January 1990. Lesotho secured financing from the European Development Fund, the World Bank, South Africa and others for the initial $45,000 study, design and administration costs.

A conference in early March presented potential donors with details of the next phase, for which Lesotho will pay: construction of Muela hydropower station, designed to deliver 70 megawatts of electricity to a country now 98 percent dependent on South Africa. When the second plant (110 megawatts) comes on line in 2008, Lesotho could save $8.3 million (at 1987 values) a year on energy imports.

The price is right, but there remain great engineering challenges and a potentially immense impact on the people and the land in the path of this enormous project.

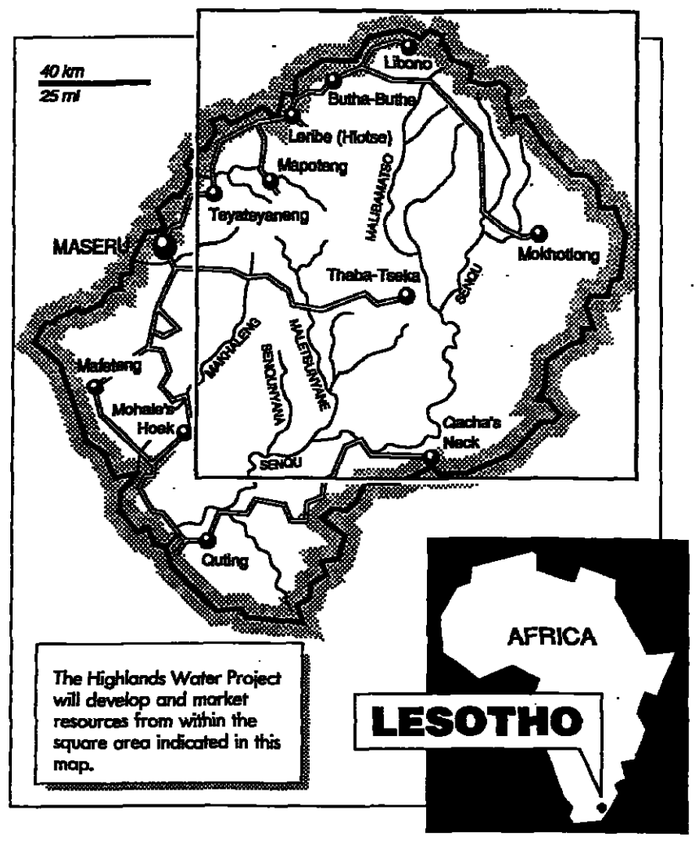
The first obstacle is the rugged, undeveloped terrain of the project area. Crews will build 102 kilometers (around 64 miles) of tarred road, 64 kilometers of gravel road and a bridge 600 meters (650 yards) long and 90 meters high, just to get the equipment and construction materials to the sites where the 180-meter-high Katse Dam and the first 62 kilometers of tunnels will be constructed in Lesotho.

The sheer length of the tunnels requires digging them from several points at once, to speed the process, and thus means more access roads and more boring equipment.

Electricity will be needed at each site, which will leave a reticulated electricity supply for nearby rural communities. The tunnels, 1.2 kilometers below the surface at their deepest, will pass under three rivers, because the waters of those rivers are not part of the project.

"The beauty of the scheme, what made it attractive to South Africa, is that from the Katse Dam reservoir the water will flow by gravity all the way to the Vaal Dam (85 kilometers south of Johannesburg)," says Monyane Moleleki, a spokesman for the project.

South Africa could not simply have dammed the Senqu River, called the Orange River in South Africa, on its own soil because that land is flat. A reservoir of adequate size would have flooded vast areas of farmland, and the water would have had to have been pumped all the way to Johannesburg.



The Highlands Water Project will develop and market resources from within the square area indicated in this map.

"I think the biggest problem for Lesotho will be the change in the way of life that will be caused by the new infrastructure and the influx of people," Mr. Moleleki says. The project includes an environmental action plan, a compensation scheme and rural development programs in an effort to make those changes positive.

The first dam will flood relatively few fields and no villages, he said, but the road construction has already necessitated replacing some houses, and a later dam will submerge more settled areas. Because virtually all of Lesotho's arable lands are already occupied, families cannot be compensated with alternate plots.

Mr. Moleleki says the government is now reviewing compensation proposals based on the requests of people affected; those proposals would give residents a choice of payment in cash or crops, or assurance of a job in the project area.

The proposals include compensating families annually at harvest-time over several years with grain or foodstuffs of their choice equivalent to the best possible harvest from the lands they will have lost.

The water project will work closely with the government on rural development projects such as building schools and health clinics, promoting handicrafts and other industries, and improving agriculture.

Environmental studies, still under way, will consider the project's impact on flora and fauna, on the land itself, and on the archaeological wealth of Lesotho. Ancient bushman rock paintings and soil layers rich in dinosaur fossils may need protection from the water or the ancillary facilities.

"We're lucky to be doing this now, after people have had bitter experiences [with similar massive projects] in other parts of the world," Mr. Moleleki says. "We'll try to make sure that none of the problems they had will happen here."

Main Natural Resource Is Productive People

LESOTHO PHARMACEUTICALS Corporation (LPC) hardly expects to challenge the giants on their home turf, but it gives them a run for the money over drug sales in Africa. LPC is an example of the industries Lesotho can foster despite its limited natural resources.

The government encourages companies drawing on local raw materials as well as those manufacturing from imported items, provided the emphases are job creation and training, exportation, and import substitution.

LPC Managing Director Shadrack Mapetla says: "Lesotho, like Japan and Switzerland, can base its development on skillful, productive people, not natural endowments." He points out that the World Health Organization uses LPC as an example to other developing nations.

Like the pharmaceutical company, much of Lesotho's growing textile industry relies on imports. Cotton clothing, school uniforms, bed linens and neoprene wetsuits are produced from imported materials. Hilaire Berger, president of Swiss-owned Jeantex, says his factory uses denim from Hong Kong and Zimbabwe in making 50,000 fashionable jeans, jackets, skirts and jumpers a month for sale overseas. The pluses of doing business in Lesotho are "the Lesotho National Development Corporation's assistance in dealing with government and Lesotho workers' productivity, spurred on by the scarcity of jobs," he adds.

The group Lesotho Umbrella Manufacturers, working with imported raw materials, has a successful export trade. The two largest shoe manufacturers sell sports shoes to South Africa and leather shoes overseas. Other companies make leather jackets, handbags, sheepskin moccasins and car seat covers.

The agricultural sector also is expanding. The country's canned asparagus and fruits are gaining wide acceptance overseas, and Lesotho Flour Mills, which grinds wheat and corn and packs sugar, is branching out into farm feeds and a larger flour mill to meet local demands.

The Agricultural Development Bank plans to expand into agro-industries while Lesotho Bank, the kingdom's largest, is geared to financing economic expansion as the giant Lesotho Highlands Water Project transforms the economy. General Manager David Garden says: "Lesotho National Insurance offers internationally competitive rates and hopes to insure many aspects of the water project."

Lesotho's handicrafts sector, which relies on local materials, is among the nation's biggest sources of jobs. The government's Trade Promotion Unit assists craftsmen in marketing and business management. Lesotho's weavers create traditional scenes and modern abstracts in artistic woolen tapestries that have proved popular in Europe and North America. Weaving enterprises have blossomed in the capital, Maseru, and in the countryside, producing wall hangings, rugs, place mats and neckties.

The mountain kingdom's excellent clays inspire the potters at Kolonyama, one hour east of Maseru, to produce table settings and original animal figurines. Jewelers in Lesotho often take their inspiration from African art. Ebony, ivory and such semiprecious stones as tiger eye embellish the silver, gold, copper and brass work.

Basket weavers have begun to dye their wares in pleasing shades of blue, green, purple and magenta in response to market demands. Their specialty is the Basotho hat, a cone with an elaborate top knot that mirrors the unusual shape of many Lesotho mountains. Lesotho Cooperative Handicrafts General Manager Khotso Matla says the baskets sell to tourists and to retailers in Britain, Germany, Sweden and the United States.

This Advertising Section was written by Barbara A. Borst, a freelance writer who covers Eastern and Southern Africa for a variety of publications.

The Kingdom in the Sky Becomes Easier to Visit

The jagged mountains, deep gorges and dramatic waterfalls of Lesotho tempt tourists to try the kind of attractions that can be found nowhere else in Africa. There is even skiing during the southern winter for hearty members of the Maloti Ski Club. Another major draw is the Basotho Pony Project, which enables visitors to reach stunning waterfalls, rock pools, bushman paintings and unspoiled terrain accessible only on horseback or on foot.

Hiking and trout fishing attract sportsmen; others come for the traditional dance competition at Maseru, the capital, in late August or early September; the casinos; or the Roof of Africa Rally in October, which tests drivers and machines over some 1,200 kilometers (750 miles) of tortuous mountain roads.

Lesotho's history is written in the rocks themselves — the rich deposits of dinosaur fossils, ancient bushman paintings and a natural fortress where King Moshoeshoe I, the nation's founder, once fought off colonists. Looking down from that fortress at Thaba Bosiu, a flat-topped mountain ringed with palisades, one can share the guide's pride in the history and the beauty of the fertile valley below.

More than 90 percent of Lesotho's 220,000 tourists in 1987 came from South Africa, but the kingdom is working with the Southern African Development Coordination Conference tourist unit and others to expand its marketing in Europe, North America and Africa.

BIG CHANGES are coming to Lesotho as the Highlands Water Project opens the interior and creates vast reservoirs with water sports and scenic beauty to attract tourists. The tourist board is also encouraging the development of hotels and other services.

Oxbow, a favorite trout-fishing area in northern Lesotho, is one of many tourist attractions.

The parade of jagged mountains and winding gorges has inspired Lesotho's poetic name Kingdom in the Sky. And it causes road engineers endless nightmares. Paving the roads into the interior and spanning the country's powerful rivers has been largely beyond Lesotho's means — until now.

Work on the Highlands Water Project begins with 100 kilometers (62 miles) of new tarred road, 64 kilometers of gravel road, and a bridge 600 meters (650 yards) long and 90 meters high over the future reservoir. South Africa will pay for all water delivery-related costs, including the roadworks required to reach the dam and tunnel sites. The new roads will supplement a system that serves primarily the western, more populous reaches of the country.

Three industrial parks have tarred-road access to South Africa's transport network, as well as factory buildings, water, sewerage, and telecommunications links. The parks are at Maputsoe (86 kilometers north of the capital), Maseru and Thetsane (7 kilometers south of Maseru). Lesotho's one railway, 2.6 kilometers long, serves Maseru's industrial area.

The water project will also rescue Lesotho from its 98 percent dependency on South Africa for electricity. Lesotho will pay $235 million for construction of two hydropower stations that will save $8.3 million (in 1987 dollar values) each year.

Lesotho Telecommunications Corp. links the automatic telephone exchanges in the kingdom's principal centers with 60 countries by direct dial; telex service connects with more than 100 countries; and telefax service began in 1987.

Lesotho Airways flies to Johannesburg 10 times a week from modern Moshoeshoe I International Airport, 20 kilometers from Maseru. The airline also flies to Zimbabwe, Botswana, Swaziland, Mozambique, Seychelles and 14 domestic locations. Royal Swazi National Airways flies weekly to Maseru; Air Botswana's weekly service to Gaborone will begin in April.

This advertising section on Lesotho was initiated by the Lesotho Trade Promotion Unit (TPU) and the International Trade Center UNCTAD/GATT (ITC). The TPU, established in 1978 with funds donated by the Government of Norway, is part of the Ministry of Trade and Industry and promotes exports to the United States, Canada, Europe, Africa, the Middle East and the Far East. The ITC provides advisory and consultancy services to the TPU through the ITC resident advisor. For further information, contact: Trade Promotion Unit, Ministry of Trade and Industry, P.O. Box 747, Maseru 100, Lesotho, Southern Africa, tel. 323414, telex 4384 Tpuli LO.

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In addition, Lesotho Bank actively promotes and participates in local development projects, particularly in the agricultural and small enterprise sectors which have socio-economic benefits for the whole country.

We're proud of the traditions that have put us at the forefront of business in Lesotho and prouder still of the many innovations that have kept us there.

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Friday's NYSE Closing

Via The Associated Press

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
USFG	29355	32¾	32	32½	+ ⅛
Upjohn	26582	29¾	28¾	29¼	— ⅛
AmExp	24004	30½	29¾	29⅞	— ¾
WarnC	21606	49¼	47¼	49	+1⅞
IBM	17861	118½	117⅛	118¼	— ⅜
GenEl	15574	45⅛	44⅝	45	— ½
AT&T	15354	30½	30¼	30½	
PhilMr	14848	115½	112½	115⅝	+2¼
RJR Nb	14475	87⅛	85⅝	86¼	+ ⅜
Finlste	13285	45⅝	45½	45⅝	+ ⅛
MexFd	13015	7½	6⅝	7¼	+ ¼
Interco	12762	3⅝	3	3⅛	— ⅜
HCA	11296	49¼	49	49¼	+ ¼
Navistr	10796	6⅝	6	6¼	
Chase	10771	33	32¼	32⅞	+ ¼

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	87.95	— 0.20
Utilities	87.60	— 0.16
Industrials	88.31	— 0.23

Market Sales

NYSE 4 p.m. volume	146,830,000
NYSE prev. cons. close	170,248,990
Amex 4 p.m. volume	12,190,000
Amex prev. cons. close	13,440,000
OTC 4 p.m. volume	133,369,400
OTC prev. 4 p.m. volume	142,061,500
NYSE volume up	47,354,300
NYSE volume down	75,091,900
Amex volume up	5,212,800
Amex volume down	4,550,500
OTC volume up	n.a.
OTC volume down	n.a.

NYSE Diary

	Close	Prev.
Advanced	611	675
Declined	837	764
Unchanged	509	541
Total Issues	1957	1980
New Highs	26	51
New Lows	13	19

NYSE Index

	High	Low	Close	Ch'ge
Composite	164.90	164.32	164.85	— 0.51
Industrials	199.72	199.02	199.70	— 0.72
Transp.	162.89	162.22	162.81	— 0.07
Utilities	77.56	77.32	77.56	— 0.11
Finance	137.39	137.11	137.39	— 0.40

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
March 9	251,172	492,694	30,491
March 8	267,453	535,522	24,686
March 7	261,351	565,505	28,867
March 6	276,430	571,394	34,462
March 3	226,319	484,254	21,502

*Included in the sales figures

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2285.00	2295.54	2261.61	2282.14	— 9.29
Trans	1065.01	1072.93	1054.33	1064.20	— 1.94
Util	182.49	183.32	181.25	182.37	— 0.54
Comp	871.46	876.40	863.20	870.77	— 2.83

AMEX Diary

	Close	Prev.
Advanced	271	297
Declined	316	287
Unchanged	258	264
Total Issues	845	848
New Highs	20	14
New Lows	7	9

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	339.43	336.63	338.17	— 1.26
Transp.	251.01	249.43	250.47	— 0.42
Utilities	116.95	116.10	116.60	— 0.35
Finance	26.79	26.57	26.49	— 0.10
SP 500	293.93	291.40	292.88	— 1.05
SP 100	—	—	276.98	— 1.38

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	405.98	+ 0.23	403.99	375.48
Industrials	398.91	— 0.19	398.94	387.05
Finance	484.69	+ 0.90	480.74	455.06
Banks	460.22	+ 1.14	460.25	455.06
Insurance	471.25	— 0.42	466.24	484.18
Utilities	566.99	+ 2.60	554.63	407.79
Transp.	424.56	— 0.68	423.03	351.97

NASDAQ Diary

	Close	Prev.
Advanced	1,063	1,052
Declined	934	965
Unchanged	1,144	2,460
Total Issues	2,808	4,477

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
AmdhI s	11022	17¾	17⅛	17¾	+ ⅛
TexAir	8674	13⅛	12⅝	12⅞	— ⅛
DWG	6578	8⅛	7⅝	7¾	— ⅛
IntTich	6132	10⅛	9⅛	9⅝	+ ⅛
vlEAL pfF	4202	8½	8	8½	+ ⅛
ENSCO	4119	3⅛	2⅞	3	
Ransbg	3896	20⅞	20½	20⅞	—1⅜
AltsCM	2996	2⅛	2	2⅛	+ ⅛
Atari	2823	6⅞	6⅝	6⅞	
EchoBy	2730	16⅛	15⅝	16	+ ⅛
WDigitl	2337	11½	11⅛	11⅛	— ⅛
A-mo sc	2206	34⅝	33⅝	34⅝	+2
KeyCo	2088	1⅝	1⅝	1⅝	+ ⅛
BAT	2047	9⅝	9⅛	9⅝	+ ⅛
Bowne	2039	11⅛	11⅛	11⅛	— ⅛

AMEX Stock Index

High	Low	Close	Ch'ge
329.37	328.09	328.92	— 0.44

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE in Retreat on Rate Fears

United Press International

NEW YORK — Stock prices closed lower Friday in moderate trading on the New York Stock Exchange after the February report on U.S. employment led to another case of jitters about the outlook for inflation and interest rates.

The Dow Jones industrial average, which fell 4.11 points Thursday, declined 9.29 to 2,282.14. For the week, however, the blue-chip index gained 7.85 points.

Broader-market indicators also retreated. The New York Stock Exchange composite index declined 0.51 to close at 164.85. Standard & Poor's 500-stock index fell 1.05 to 292.88. The price of an average share lost 10 cents.

Declines led advances by an 8-6 margin. Volume on the Big Board slowed to 143 million shares, compared with 167.62 million traded Thursday.

Analysts said the decline was caused by investors' disappointment over the February employment data, which showed that the jobless rate dropped to 5.1 percent in February, the lowest level since May 1974.

Wall Street observers also cited futures-related selling and weakness in bond prices as factors behind the retreat, though late-afternoon buying helped the market recoup some of its earlier losses.

The Labor Department said the 0.3 percentage point drop in the jobless figure reflected the creation of 289,000 nonfarm payroll jobs.

The gain in the nonfarm sector was considered a healthy increase that reflected a robust economy, especially in light of the revised 415,000-job increase in January, which was originally reported as 408,000.

Job-creation figures in recent months have become one of the most accurate signs of economic health. In reaction to rapid growth in the economy, the Federal Reserve Board has been boosting interest rates over the past year in an attempt to slow things down and fight inflation.

Larry Wachtel, market analyst with Prudential-Bache Securities Inc., said the market's decline was a direct response to the employment data.

"The Street bets on those numbers and the numbers were too strong," he said. "We're in the good news is bad news mode. Anything that adds to the possibility of rising rates is bad for the Street."

Forecasts had called for the February data to show a gain of between 220,000 to 270,000 in new nonfarm payroll jobs and a one-tenth of a percentage point drop in the jobless rate to 5.3 percent.

The economy is "certainly percolating along and needs restraining," Mr. Wachtel said. "There is no sense that rates will go lower."

Harry Miller, portfolio analyst with Interstate-Johnson Lane Corp. in Atlanta, Georgia said the employment report troubled portfolio managers, who are facing key investment decisions as the end of the quarter draws near.

In trading on Friday, USF&G Corp. was the most active NYSE issue, rising ⅛ to 32½. The stock goes ex-dividend Monday.

Upjohn Co. followed, dropping ⅛ to 29¼. Recent New York State regulations on prescriptions for certain tranquilizers are expected to hurt sales.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

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ECONOMIC SCENE

Risks of Interdependence Between U.S. and Japan

By LEONARD SILK

New York Times Service

DURHAM, North Carolina — "Of the world's 10 largest banks, 10 are Japanese," said Charles Manatt, the former chairman of the Democratic National Committee, addressing a conference here at Duke University on the U.S.-Japanese special relationship.

That relationship, though often strained by conflicts over trade, investment and military burdens, has become crucial to the economic development and security of both countries.

For the United States, with its low savings rate and huge trade deficits, Japanese capital is vital to sustain American investment and the dollar. For Japan, the United States is critical for the export of goods and surplus capital.

> A few Japanese money managers could destabilize world markets in a few hours.

One sees this growing interdependence between the two countries not only in financial markets but also at the grass-roots level in a state like North Carolina. Governor James Martin, a Republican, told the conference that 60 Japanese companies, including 38 manufacturers, were now in North Carolina and already accounted for 15 percent of the state's total exports.

But despite the growing desire of American states for Japanese capital, there are serious risks. In an article in the current Harvard Business Review, R. Taggart Murphy, managing director of Japan private placement at Chase Manhattan Asia Ltd. in Tokyo, warns that a small number of Japanese money managers could destabilize U.S. and world markets in a few hours.

For instance, he states that contrary to popular belief, Continental Bank of Illinois, the seventh-largest U.S. bank, did not collapse because it had lent excessively to the energy sector in states like Oklahoma. Rather, Mr. Murphy says, "Continental collapsed in Tokyo when Japanese money managers, acting on the basis of a mistranslated press report and without knowledge of their regulators, pulled their funds out."

Further, he finds that it was fund managers in Tokyo who set off the stock market collapse in October 1987. The collapse, he says, started and stopped in Tokyo; the report of Nicholas F. Brady, now Treasury secretary, reaches the same conclusion.

JAPANESE institutional investors, Mr. Murphy says, dumped U.S. Treasury securities on Oct. 14, five days before Black Monday, in a frantic reaction to the poor U.S. trade performance in August. The fall in bond prices and sharp rise in interest rates in turn kicked off a worldwide selloff of stocks.

But, strangely enough, the Japanese stock market fell less than any other. This was because the powerful Japanese regulators at the Ministry of Finance brought a halt to the Japanese slide by pressing the Big Four securities houses — Nomura, Daiwa, Nikko and Yamaichi — to support the market.

That official pressure also helped to prevent the collapse in the United States and elsewhere from turning into another 1929 crash.

However, the Japanese government's ability to intervene and control a crisis does not mean, in Mr. Murphy's view, that the Japanese are playing an adequate role as world financial leader.

He blames the Japanese for not opening their markets more widely to American and other foreign goods. The heavy Japanese trade surpluses are what generate the heavy dependence of the United States on Japanese capital.

Nor are the Japanese making the yen available as a world currency, nor are they serving as the world's lender of last resort, responsibilities of the world financial leader.

If the leader does not give other countries the opportunity to earn its currency, Mr. Murphy says, "that currency will continually appreciate and the global balance of payments will be thrown out of kilter." He sees that happening now.

S&P Cuts RJR Debt Ratings

Bonds Fall Below Investment Grade

Reuters

NEW YORK — Standard & Poor's Corp. said Friday that it has downgraded $5 billion of RJR Nabisco Inc. debt to a BB rating from A, because of the leveraged buyout of the company.

The move pushes RJR bonds out of the investment grade category and into the upper end of the market of speculative grade, or junk bonds.

Although S&P categorizes BB-rated companies as those "facing major ongoing uncertainties or exposure to a downturn in business, financial or economic conditions," analysts noted that BB is a relatively strong rating for a company that has been through such a buyout.

The $25 billion leveraged buyout of RJR, led by Kohlberg, Kravis, Roberts & Co., is the largest such transaction ever undertaken. A cash tender for 74 percent of the company's common stock and series B preferred stock at $109 a share was completed on Feb. 9.

The second stage of the deal will be a merger between the two firms, with remaining RJR shares to be converted to newly preferred and convertible debentures.

In announcing its ratings, S&P said that "strong and predictable consumer product businesses give RJR highly stable cash flows which, coupled with the company's financial flexibility, support the ratings despite thin coverage of debt by cash flow."

The rating agency said that it is confident that RJR can raise $6 billion through asset sales within 18 months, as is required by bank lending agreements, because of the significant interest in RJR's assets

S&P said it expects to assign a rating of B to the $1.8 billion of converting debentures of RJR Holdings Corp. and to RJR Holding Group Inc.'s $4 billion of cumulative exchangeable preferred stock.

The rating agency said it expects to give a grade of B-plus to a $5 billion offering of RJR Holdings Capital Corp.

Eastern's Court Move: Will It Fly?

Lorenzo Hopes to Retain Part of Airline on His Terms

By Malcolm Gladwell

Washington Post Service

Dave Tulis/Reuters-UPI

Tourists awaiting baggage in the chaos of the Eastern strike.

WASHINGTON — Eastern Airlines has put its future in the hands of a federal judge, hoping to use the far-reaching powers of the U.S. bankruptcy code to break the hold of its unions, trim down its operations and get back in the air.

Rather than settling a strike that was draining $4 million a day, Eastern's chairman, Frank A. Lorenzo, concluded that a Chapter 11 bankruptcy proceeding offered him the best hope of holding on to at least a part of Eastern Airlines — on his terms. The petition was filed Thursday.

The strategy of using bankruptcy reorganization to stave off the threat of financial ruin is not new.

Over the past decade, the Dalkon Shield maker A.H. Robins Co., and the asbestos manufacturer Manville Corp., have used the bankruptcy code to force settlements in massive product-liability suits while allowing the companies to remain in business.

Texaco Inc. used the bankruptcy process to settle a multibillion-dollar dispute with Pennzoil Co. and reorganize its operations. And Mr. Lorenzo used the tactic six years ago to transform a struggling unionized carrier, Continental Airlines, into a low-cost, nonunion competitor.

It is a strategy fraught with risk. Changes in federal bankruptcy law, some of them prompted by the Continental case, now make it impossible for a company under bankruptcy protection to unilaterally break its union contracts.

There is the risk, too, that creditors and unions will gang up and convince the court to hand the company over to a neutral trustee, as happened recently in the case of Victor Posner's Sharon Steel Corp.

But the bankruptcy filing could also make it difficult for the unions to oppose Mr. Lorenzo's plans. No one else can file a reorganization plan for Eastern before Texas Air Corp., Eastern's owner, and Eastern file their plans, and they have six months to do so.

And the ability of Eastern's unions to go into other courts to delay asset sales and limit management prerogatives is restrained, because under a bankruptcy reorganization, most legal actions are consolidated in the bankruptcy court.

The filing could therefore prove to be a mixed blessing for both sides.

But first and foremost for Mr. Lorenzo, a Chapter 11 bankruptcy proceeding buys "cash, staying power and time," as the Eastern chairman said this week.

For the next 60 days at least, Eastern is relieved of making — in fact, is prevented from making — payments on $2.3 billion in long-term debt and leases on such things as airplanes and terminals. It was these payments primarily that began draining the airline's $200 million cash reserve even after most of its flights had been canceled and its employees laid off.

Under the bankruptcy rules, Mr. Lorenzo's plan for reorganization could involve putting the airline back in full or partial operation. It may involve selling some of the company's assets — among them a fleet valued at $1.5 billion, spare parts worth $166 million and terminal leases valued at $660 million.

It may even involve selling the whole airline to someone such as Carl C. Icahn, owner of Trans World Airlines Inc., who has already expressed interest.

The plan, however, will have to withstand scrutiny of several interested parties:

- The federal government, which is seeking unpaid taxes.
- Secured creditors such as bondholders and banks, whose $1.6 billion in loans is secured by particular assets such as planes or spare parts.
- Unsecured creditors, such as

See EASTERN, Page 14

Dollar Surges, Propelled by U.S. Jobs Data

Compiled by Our Staff From Dispatches

NEW YORK — A U.S. employment report that portended further strength in the economy caused the dollar to jump Friday before losing some of the gains on fears of central-bank intervention. Bond prices skidded, then recovered.

The dollar finished at 1.8620 Deutsche marks, up from 1.8555 DM Thursday, and at 129.425 yen, up from 128.75 yen. But the closes were down from midday levels, when the currency traded at 1.8633 DM and 129.475 yen.

Traders said the dollar's rise had been restrained by the threat of intervention to cap the currency and strong technical resistance.

Shortly after the Labor Department released its Friday report showing that U.S. unemployment had reached a 15-year low of 5.1 percent in February, the dollar jumped as high as 1.8663 DM. It failed to hold the gains.

"There were five or six attempts to push the dollar through resistance" at 1.8650 DM in late morning, said Frank Pusateri with Bank of Boston.

But then dealers began focusing on the detailed breakdown of the employment figures, which contained some offsetting information, such as a fall in U.S. manufacturing employment. This took some gloss off the dollar, dealers said.

A sustained fall in manufacturing jobs could bode ill for the U.S. export drive, said Tim O'Dell, economist at the Phillips & Drew brokerage in London.

"The dollar's failure to breach the 1.87 DM area suggests technical weakness and fear of central bank intervention after the Fed sold dollars earlier this week," he added.

The Fed sold dollars on Wednesday for the first time in a month with the dollar just over 1.86 DM.

The dollar also finished at 1.5900 Swiss francs, up from 1.5848 francs, and at 6.3150 French francs, up from 6.2945 francs.

The British pound eased to $1.7180 from $1.7227 at Thursday's close in New York. Dealers said they expected the pound to trade around $1.72, supported by

See DOLLAR, Page 15

Dollar Role Questioned By Delors

Reuters

BRUSSELS — The world's monetary system should not rely solely on the U.S. dollar as its reserve currency, Jacques Delors, the European Commission president, said Friday.

"A world monetary system based on a single currency is not a good system," the head of the European Community's executive body said at a news conference held in advance of Monday's 10th anniversary of the European Monetary System.

He said that under the current system, too much was expected from the dollar and the monetary policy of the United States.

"The sooner Japan and the Europeans turn their currencies into reserve currencies, the better," he said.

But Mr. Delors said that making the Japanese yen a reserve currency would require a political decision in Japan, while in Western Europe there was not yet the scope for creating such a currency.

He declined to reveal any details of discussions of a committee studying European monetary union, but said they were making good progress. Mr. Delors chairs the committee, which includes EC central bank governors and independent experts.

He said the report would be finalized in April to go to the summit of EC leaders in Madrid in June.

Separately, the Bundesbank's president, Karl Otto Pöhl, said that further realignments of the European Monetary System remain possible, especially if member countries relax their efforts to stabilize prices.

In an article in the West German financial newspaper, Börsenzeitung, he said, "We will have to live with the possibility of further EMS realignments for some time."

Currency Rates

Cross Rates

March 10

	$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.095	3.6125	1.1284	0.3325	0.1538 *	—	5.386 *	1.3213	1.6251 *
Brussels(a)	38.915	67.0275	20.9515	6.1755	2.8539 *	18.567	—	24.5475	0.3019
Frankfurt	1.8572	3.201	—	0.2948	0.1362 *	0.8863	4.772 *	1.1715	1.44 *
London (b)	1.7155	—	3.196	10.8455	2,345.50	3.606	66.945	2.7318	222.155
Milan	1,361.95	2,343.00	733.50	217.25	—	N.A.	N.A.	858.50	N.A.
New York(c)	—	1.718 b	1.862	6.315	1,366.00	2.0995	38.975	1.59	129.425
Paris	6.3025	10.863	3.3935	—	0.4623 *	3.0075	0.162	3.9745	4.886 *
Tokyo	129.15	222.29	69.49	20.49	0.949	61.42	3.3192	81.43	—
Zurich	1.5925	2.7327	0.8545	0.2519	0.1164 *	0.7573	4.0802 *	—	1.2294 *
1 ECU	1.1197	0.6502	2.0804	7.0593	1,527.29	2.3476	43.585	1.7764	144.555
1 SDR	1.3161	0.7605	2.4336	8.2597	1,798.22	2.7452	50.9919	2.0782	169.034

Closings in London, Tokyo and Zurich, fixings in other centers. New York closing rates.
a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	15.12	Fin. markka	4.345	Mex. peso*	2360.50	S. Afr. rand	2.5315
Austral. $	1.2524	Greek drac.	156.80	N. Zealand $	1.624	Soviet ruble*	0.619
Austr. schil.	13.10	Hong Kong $	7.8005	Nig. naira*	5.2995	Span. peseta	114.00
Belg. fin. fr.	39.195	Indian rupee	15.34	Norw. krone	6.77	Swed. krona	6.365
Brazil cruz.	1.00	Indo. rupiah	1749.00	Phil. peso	21.3765	Taiwan $	27.83
Canadian $	1.1978	Irish £	0.6986	Port. escudo	153.10	Thai baht*	25.325
Chinese yuan*	3.7221	Israeli shek.	1.785	Saudi riyal*	3.7505	Turkish lira	1930.00
Danish krone	7.263	Kuwaiti dinar*	0.2895	Sing. $	1.941	UAE dirham*	3.673
Egypt. pound	2.406	Malay. ring.*	2.7505	S. Kor. won	678.50	Venez. boliv.	40.00

New York rates unless marked * (local rate.)

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7137	1.7099	1.7061	Canadian dollar	1.1995	1.2014	1.2035
Japanese yen	128.71	128.12	127.55	Swiss franc	1.5847	1.5790	1.5740
Deutsche mark	1.8565	1.8508	1.8462				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits

March 10

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	9 [illegible]-10 [illegible]	6 [illegible]-6 [illegible]	5¾-5⅞	12 [illegible]-12 [illegible]	8 [illegible]-8 [illegible]	4¼-4⅜	8 [illegible]-8 [illegible]	8 [illegible]
2 months	10 [illegible]-10 [illegible]	6⅜-6½	5⅞-6	12 [illegible]-12 [illegible]	8 [illegible]-9 [illegible]	4 [illegible]-4 [illegible]	8⅝-8¾	8 [illegible]
3 months	10 [illegible]-10 [illegible]	6 [illegible]-6 [illegible]	5⅞-6	12⅞-13	9 [illegible]-9 [illegible]	4 [illegible]-4 [illegible]	8¾-8⅞	8 [illegible]
6 months	10⅜-10½	6 [illegible]-6 [illegible]	6 [illegible]-6 [illegible]	12 [illegible]-13 [illegible]	9 [illegible]-9 [illegible]	4 [illegible]-4 [illegible]	8 [illegible]-9 [illegible]	8½
1 year	10⅝-10¾	7-7⅛	6⅜-6½	12 [illegible]-12 [illegible]	9 [illegible]-9 [illegible]	5-5⅛	9¼-9⅜	8 [illegible]

Sources: Morgan Guaranty (Dollar, DM, SF, Pound, FF, yen); Lloyds Bank (ECU); Reuters (SDR).
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates Mar. 10

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	11½	11½
Federal funds	9¾	9 13/16
Com. paper 30-179 days	9.88	9.99
3-month Treasury bills	8.74	8.65
6-month Treasury bills	8.78	8.63
3-month CD's	9.50	9.40
3-month CD's	9.55	9.55
Japan		
Discount rate	2½	2½
Call money	3 29/32	3 29/32
2-month interbank	4 21/32	4 11/16
3-month interbank	4 21/32	4⅝
West Germany		
Discount rate	4.00	4.00
Lombard rate	6.00	6.00
Overnight rate	4.00	3.95
1-month interbank	6.40	6.35
3-month interbank	6.65	6.65
6-month interbank	6.90	6.90
Britain		
Bank base rate	13.00	13.00
Call money	12 13/16	12¾
3-month interbank	13.00	13.00
6-month interbank	13 1/32	13.00
France		
Intervention rate	8¼	8¼
Call money	8¼	8⅜
1-month interbank	8 11/16	8 11/16
3-month interbank	9 3/16	9 3/16
6-month interbank	9⅜	9 5/16

Sources: Reuters, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

March 10

1 month	9 [illegible] - 10 [illegible]
2 months	10 - 10⅛
3 months	10 [illegible] - 10 [illegible]
6 months	10¼ - 10⅜
1 year	10½ - 10⅝

Source: Reuters.

U.S. Money Market Funds

March 10

Merrill Lynch Ready Assets
30-day average yield: 8.71
Telerate Interest Rate Index: 9.694
Source: Merrill Lynch, Telerate.

Gold

March 10

	A.M.	P.M.	Ch'ge
Hong Kong	395.05	395.35	+ 2.80
Luxembourg	397.00	—	+ 4.25
Paris (12.5 kilo)	397.11	396.71	+ 3.37
Zurich	395.45	394.00	+ 2.25
London	397.00	393.50	+ 2.80
New York	—	390.75	— 0.50

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

U.K. Parliament Panel Condemns EC Fraud

Compiled by Our Staff From Dispatches

LONDON — A British parliamentary panel said Friday that fraud in the European Community costs taxpayers up to £6 billion ($10.3 billion) a year and is a public scandal.

But the president of the community's executive Commission, Jacques Delors, quickly hit back with implicit criticism of Britain.

The House of Lords investigative select committee on the European Community joined a growing tide of public criticism of fraud within the community, and said reported cases "were no more than the tip of the iceberg."

The committee claimed that "virtually no form of community finance is untouched by fraud," and accused EC member governments of lacking the political will to tackle the problem.

The president of the community's executive Commission, Jacques Delors, in an implicit swipe at Britain, told the press Friday that he would block any move that could "destabilize" the community. Mr. Delors said the commission had repeatedly sought to toughen antifraud legislation, and each time had seen the proposals blocked by member states, including Britain.

"It is scandalous that, on the pretext of fraud, one seeks to discredit one's own family," Mr. Delors said. "I will oppose any attempt to destabilize the community on the question of fraud."

The Lords committee said weak financial administration and the absence of adequate controls were responsible for the ease with which EC coffers were milked.

Describing one example of fraud, it said: "For two years, a trader exported offal as prime quality beef in order to obtain export refunds. He also evaded import levies by importing prime beef described as offal and netted £1 million."

"We are convinced that a very large number of frauds and irregularities are not being reported to the commission properly or at all," the committee said.

In an interview with the Independent newspaper, Bruce Millan, one of Britain's two EC commissioners, denied that the Brussels commission was responsible for the extent of the problem. He said the EC's decision-taking Council of Ministers had obstructed commission efforts to fight fraud.

(Reuters, AFP)

Peugeot Adds Fuel to Row Over Nissans' EC Content

Reuters

PARIS — Peugeot SA alleged Friday that the local content of British-built Nissan Bluebird cars was only around 50 percent, not the 71 percent the Japanese-based manufacturer announced earlier this week.

"Peugeot is entirely sure that the European content is close to 50 percent," a Peugeot spokesman said. He added that a further 10 percent of the car parts was of unidentifiable origin and the remainder was Japanese.

He said Peugeot based this judgment on a report by another European car maker, but declined to identify the company. Industry sources said Fiat SpA of Italy had commissioned a report on the Bluebirds' local content.

France has said the Bluebirds should have at least 80 percent of their components made in Europe before the cars can be considered European, and therefore be exempt from an unofficial quota on Japanese imports that has been set at 3 percent of the French market since 1978.

Earlier this week, Britain stepped up pressure in a fight over the Nissans, asking the European Community to obtain a categorical assurance from France that Nissans made in Britain can be imported without restrictions and independently of imports from Japan. Britain asked the commission last year to rule on whether France should exclude British-made Nissans from its quotas.

Nissan Motor Co. said in Geneva on Tuesday, prior to that city's annual motor show, that 80 percent of the content in Bluebirds should be made from Europe in 1990.

The chairman of Peugeot, Jacques Calvet, has urged that local content in Japanese imports to be nearer 100 percent than 80 percent.

The Peugeot spokesman said Friday that his company and other European car makers had urged the European Community to define certain components that had to be locally made in fulfilling the 80 percent requirement.

■ Calvet Off Paribas Board

Mr. Calvet, the Peugeot chairman, has resigned from the board of Compagnie Financière Paribas after a bitter battle for control of Compagnie Financière du Midi, Agence France-Presse reported. Mr. Calvet, a former Midi board member, had backed the Midi chairman Bernard Pagezy in his bid to retain control of the group. Mr. Pagezy was defeated at a Feb. 28 shareholders' meeting by Claude Bébéar, president of Axa-Midi Assurances, Midi's insurance arm.

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Friday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

U.S. Futures

Via The Associated Press

March 10

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
4.49	3.23	Mar	4.36	4.38¼	4.33½	4.34	+.00¼
4.41	3.30	May	4.36½	4.39½	4.33	4.36¾	+.01¼
4.16½	3.27	Jul	4.14	4.18½	4.11½	4.16	+.03½
4.21½	3.50½	Sep	4.20½	4.24½	4.19	4.23½	+.04
4.32	3.78	Dec	4.31½	4.34¾	4.29½	4.34	+.03½
4.34¼	4.08	Mar	4.35	4.37	4.35	4.36¾	+.02½
Est. Sales		Prev. Sales 15,792					
Prev. Day Open Int. 63,037 up 1,845							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
3.70	1.93½	Mar	2.78½	2.80	2.75¼	2.75½	—.02¼
3.69	2.07½	May	2.82	2.84¼	2.79	2.79½	—.02¼
3.60	2.33	Jul	2.84½	2.87½	2.82½	2.83	—.02
3.17¾	2.45	Sep	2.77½	2.79¾	2.76¼	2.76¼	—.01
2.95	2.35	Dec	2.74½	2.76	2.73½	2.73¾	—.00¼
2.86½	2.57½	Mar	2.80¾	2.81¼	2.79¾	2.80½	—.00¼
2.89½	2.75	May	2.84	2.84	2.82	2.82½	—.00¾
Est. Sales		Prev. Sales 29,413					
Prev. Day Open Int.191,975 up 285							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
10.22	5.79	Mar	7.64	7.74	7.54	7.57	—.06½
10.03	6.48½	May	7.76	7.88	7.66½	7.69	—.07½
9.86	7.40	Jul	7.86½	7.97	7.75	7.78	—.07
9.51	7.25	Aug	7.82	7.90½	7.70½	7.71	—.11
8.35	7.01	Sep	7.59	7.65½	7.52	7.53	—.05
7.93	6.63	Nov	7.47	7.51	7.38	7.40¼	—.05¼
7.63	6.84	Jan	7.53	7.58	7.44½	7.46½	—.06¼
7.70	7.00	Mar	7.60	7.64	7.52	7.53	—.07
7.64	7.29	May	7.63	7.67	7.57	7.57	—.07
Est. Sales		Prev. Sales 46,900					
Prev. Day Open Int.116,586 up 867							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
308.00	187.50	Mar	241.50	244.30	238.50	238.90	—2.50
304.00	200.50	May	240.00	242.70	236.80	237.20	—3.00
300.00	221.00	Jul	238.50	241.00	235.00	235.70	—2.50
298.00	217.50	Aug	236.50	239.00	233.50	233.70	—2.50
286.00	214.00	Sep	232.50	234.50	230.00	230.00	—3.00
280.00	203.00	Oct	227.00	228.00	224.50	224.70	—2.30
260.00	199.50	Dec	226.10	227.10	223.00	223.50	—2.60
230.00	211.00	Jan	226.00	226.00	223.00	223.80	—2.20
Est. Sales		Prev. Sales 17,865					
Prev. Day Open Int. 67,816 up 1,200							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
33.60	20.85	Mar	23.00	23.25	22.80	22.93	—.07
33.00	21.56	May	23.45	23.76	23.25	23.33	—.13
32.50	22.08	Jul	24.00	24.25	23.85	23.95	—.09
32.05	22.30	Aug	24.25	24.50	24.10	24.15	—.07
29.50	22.49	Sep	24.45	24.70	24.30	24.45	—.05
28.80	22.60	Oct	24.60	24.60	24.45	24.51	—.05
28.05	22.80	Dec	24.85	25.00	24.60	24.75	—.08
25.45	23.20	Jan	24.75	24.75	24.75	24.75	—.02
25.45	23.40	Mar				24.90	+.05
Est. Sales		Prev. Sales 20,560					
Prev. Day Open Int. 78,876 off 364							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
78.45	67.20	Apr	77.05	78.22	77.05	78.05	+.98
75.90	68.60	Jun	74.00	75.00	74.00	74.67	+.72
73.80	65.80	Aug	72.00	72.47	71.95	72.27	+.40
73.15	68.90	Sep	72.25	72.25	72.25	72.25	+1.00
74.11	68.60	Oct	71.25	71.70	71.28	71.45	+.28
73.95	62.80	Dec	72.35	72.72	72.35	72.70	+.30
73.60	71.72	Feb	72.50	72.70	72.50	72.70	+.30
Est. Sales 21,768 Prev. Sales 17,432							
Prev. Day Open Int. 95,159 up 918							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
84.95	74.00	Mar	80.82	81.35	80.80	81.25	+.38
84.50	75.25	Apr	80.50	81.30	80.50	80.82	+.42
84.15	76.00	May	80.30	80.90	80.27	80.47	+.25
83.30	77.50	Aug	79.75	79.95	79.52	79.75	+.15
83.10	77.35	Sep	79.50	79.75	79.35	79.35	
83.00	77.40	Oct	79.15	79.60	79.10	79.37	+.22
83.50	78.15	Nov	80.15	80.20	80.05	80.27	—.03
83.75	80.30	Jan	80.30	80.50	80.30	80.85	+.55
Est. Sales 2,757 Prev. Sales 4,210							
Prev. Day Open Int. 14,623 up 196							
HOGS (CME) 30,000 lbs.- cents per lb.							
51.45	40.40	Apr	43.52	43.92	43.37	43.45	—.07
54.25	42.50	Jun	48.35	48.80	48.20	48.50	+.10
54.00	46.10	Jul	48.50	48.85	48.30	48.75	+.20
51.00	43.25	Aug	47.40	47.70	47.35	47.62	+.32
47.00	42.30	Oct	44.20	44.50	44.15	44.45	+.30
47.25	38.75	Dec	45.45	45.85	45.40	45.72	+.40
47.20	44.75	Feb	45.60	45.67	45.60	45.67	+.12
45.00	44.05	Apr	44.47	44.47	44.47	44.80	+.45
Est. Sales 5,585 Prev. Sales 5,894							
Prev. Day Open Int. 29,648 off 1,115							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
66.35	36.82	Mar	37.70	38.50	37.40	38.45	+.25
64.75	37.55	May	37.70	39.05	37.45	38.37	+.17
64.50	37.70	Jul	37.80	39.05	37.65	38.32	—.08
58.20	36.40	Aug	37.10	38.10	37.00	37.55	+.15
61.60	42.00	Feb	51.20	51.80	51.15	51.70	+.60
60.00	42.00	Mar	50.75	50.75	50.75	51.00	+.18
60.90	50.00	May				52.00	
60.90	58.60	Jul				53.00	
Est. Sales 5,524 Prev. Sales 3,696							
Prev. Day Open Int. 22,143 off 71							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
166.90	112.44	Mar	134.00	136.50	134.00	135.50	+1.55
159.20	112.13	May	132.40	134.20	132.00	132.66	+.46
155.25	114.00	Jul	127.75	128.80	127.00	127.50	+.66
151.90	114.60	Sep	124.00	124.50	123.05	123.18	—.14
149.50	116.00	Dec	121.75	121.75	119.50	119.50	—.75
146.00	115.80	Mar	121.00	121.00	120.00	119.25	+.37
119.50	117.00	May				119.25	+.12
132.25	121.00	Jul				117.75	—1.38
Est. Sales 4,740 Prev. Sales 5,566							
Prev. Day Open Int. 23,342 up 101							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
13.44	7.87	May	12.05	12.38	11.88	11.91	—.07
13.40	8.10	Jul	12.05	12.31	11.90	12.00	+.13
13.30	8.45	Oct	12.05	12.22	11.75	11.84	+.12
12.70	8.80	Jan				11.06	—.36
11.70	8.75	Mar	11.70	11.76	11.45	11.45	+.19
11.54	9.20	May	11.60	11.65	11.40	11.35	+.11
12.60	11.00	Jul				11.25	+.05
Est. Sales 37,759 Prev. Sales 33,080							
Prev. Day Open Int.143,125 up 576							
COCOA (NYCSCE) 10 metric tons- $ per ton							
2088	1125	Mar	1560	1560	1525	1525	—16
2088	1152	May	1420	1425	1393	1397	—15
1995	1175	Jul	1392	1395	1363	1366	—21
1850	1206	Sep	1392	1396	1369	1369	—24
1735	1240	Dec	1390	1390	1373	1373	—13
1535	1305	Mar	1378	1378	1367	1368	—12
1465	1365	May	1378	1378	1370	1375	—5
		Jul				1372	—5
Est. Sales 7,334 Prev. Sales 5,021							
Prev. Day Open Int. 32,756 up 15							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
175.50	134.00	Mar	142.25	143.00	142.10	142.95	+2.85
173.50	132.00	May	143.50	144.50	143.00	144.35	+2.75
172.00	132.00	Jul	143.50	144.40	142.90	144.20	+3.15
170.10	132.00	Sep	142.25	143.20	141.90	143.20	+2.95
166.50	129.00	Nov	139.85	139.90	139.00	139.85	+1.20
157.00	127.50	Jan	138.00	137.40	136.00	137.40	+1.55
152.00	127.75	Mar	136.00	137.30	136.00	137.30	+1.60
		May				137.25	+1.55
		Jul				137.25	+1.55
Est. Sales 2,500 Prev. Sales 419							
Prev. Day Open Int. 6,532 off 29							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
COPPER (COMEX) 25,000 lbs.- cents per lb.							
155.00	66.50	Mar	147.00	148.40	146.50	147.60	+2.10
143.40	125.00	Apr	141.90	142.95	141.90	143.90	+2.40
146.00	73.15	May	139.40	141.60	139.20	141.40	+2.90
138.50	73.70	Jul	132.10	134.40	131.90	133.90	+2.40
131.50	76.00	Sep	126.00	127.60	126.00	127.40	+2.10
126.00	77.45	Dec	121.80	122.00	120.50	122.20	+1.70
Est. Sales 10,000 Prev. Sales 9,195							
Prev. Day Open Int. 36,826 off 286							
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
109.00	84.00	Mar				94.55	—2.00
		Apr				95.50	—2.00
109.00	83.50	May				95.50	—2.00
104.00	83.00	Jul	95.50	95.50	95.50	95.50	—2.00
104.00	82.50	Sep	93.00	93.00	92.80	92.75	—2.00
98.50	82.50	Dec				90.75	—2.00
82.50	82.50	Jan				87.25	—2.00
		Mar				87.25	—2.00
		May				87.25	—2.00
95.50	95.50	Jul				87.25	—2.00
		Sep				87.25	—2.00
		Dec				87.25	—2.00
		Jan				87.25	—2.00
Est. Sales 4 Prev. Sales 30							
Prev. Day Open Int. 165							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
1073.0	573.0	Mar	602.0	608.0	598.0	606.8	+6.0
608.5	587.0	Apr	606.0	606.0	604.5	609.2	+6.0
965.0	582.5	May	612.0	619.0	605.5	615.0	+6.0
985.0	594.0	Jul	624.0	630.0	617.0	626.6	+6.2
861.0	605.5	Sep	636.0	637.0	630.5	638.0	+6.5
886.0	621.0	Dec	650.0	657.0	646.0	654.5	+6.6
815.0	629.0	Jan				659.7	+6.7
910.0	640.0	Mar	664.0	672.0	664.0	670.9	+6.8
910.0	654.0	May	676.0	676.0	676.0	682.2	+7.0
761.5	661.0	Jul				693.6	+7.2
760.0	675.0	Sep	701.0	701.0	701.0	705.6	+7.4
708.5	696.0	Dec				722.6	+7.6
		Jan				728.4	+7.7
Est. Sales 28,000 Prev. Sales 18,929							
Prev. Day Open Int. 91,985 up 556							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
546.00	508.00	Mar				550.00	—1.10
643.50	482.00	Apr	553.00	553.90	545.70	549.00	—1.10
647.50	501.00	Jul	553.50	553.50	545.00	548.50	—1.30
609.00	505.00	Oct	552.50	552.50	540.00	548.50	—1.30
601.50	512.00	Jan	547.90	547.90	547.90	550.00	—1.30
544.00	517.00	Apr				551.50	—1.30
Est. Sales		Prev. Sales 5,089					
Prev. Day Open Int. 21,536 up 902							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
150.25	115.50	Mar	146.00	146.00	145.50	145.25	—1.25
148.50	114.00	Jun	146.50	147.00	145.25	145.25	—.25
144.00	116.00	Sep	142.50	142.50	142.25	142.00	—.25
142.00	120.50	Dec				139.25	—.25
141.50	123.00	Mar	138.50	138.25	138.25	136.75	—.25
Est. Sales * Prev. Sales 266							
Prev. Day Open Int. 6,725 up 116							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
413.00	380.50	Mar				394.30	—.80
550.00	382.00	Apr	400.00	400.20	394.70	396.50	—.80
		May				398.90	—.80
570.00	386.50	Jun	404.80	405.00	399.30	401.70	—.90
575.00	393.00	Aug	410.50	410.50	406.10	406.90	—.90
575.50	399.50	Oct	416.50	416.50	412.50	412.50	—.80
514.50	403.30	Dec	421.20	421.80	416.50	418.50	—.70
516.00	412.00	Feb				424.50	—.50
525.80	416.80	Apr				430.50	—.40
497.00	426.30	Jun	438.60	438.60	438.60	436.60	—.20
487.00	431.70	Aug				442.60	—.10
472.00	436.50	Oct				448.70	+.10
455.50	437.50	Dec	454.00	454.00	454.00	454.80	+.30
Est. Sales 60,000 Prev. Sales 52,551							
Prev. Day Open Int.172,349 off 203							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.48	90.80	Jun	91.03	91.03	90.79	90.80	—.24
93.13	90.83	Sep	91.06	91.06	90.79	90.79	—.26
92.71	90.89	Dec	91.00	91.00	90.87	90.91	—.21
92.69	91.25	Mar	91.27	91.27	91.17	91.24	—.19
92.60	91.37	Jun	91.43	91.43	91.43	91.44	—.15
92.04	91.67	Sep	91.67	91.67	91.67	91.63	—.11
Est. Sales 9,412 Prev. Sales 2,112							
Prev. Day Open Int. 22,512 off 3,359							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
95-19	89-26	Mar	92-7	92-7	91-18	91-18	—21
95-6	89-9	Jun	92-8	92-11	91-21	91-22	—20
94	89-13	Sep	92-5	92-5	91-26	91-26	—19
93-22	91-17	Dec				91-30	—18
Est. Sales		Prev. Sales 13,390					
Prev. Day Open Int. 76,301 off 226							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
95-10	73-20	Mar	88-22	88-26	87-28	87-29	—25
94-4	73-11	Jun	88-24	88-26	87-27	87-29	—25
93-16	72-26	Sep	88-20	88-24	87-30	87-31	—23
92-22	72-18	Dec	88-22	88-23	87-31	88	—21
91-10	72-1	Mar	88-7	88-10	87-31	87-31	—20
91-8	75	Jun	88-5	88-7	87-28	87-28	—19
91-5	79-1	Sep	87-27	87-27	87-24	87-24	—18
91-2	80	Dec				87-19	—17
90-15	79-21	Mar				87-13	—16
90-28	82-18	Jun	87-11	87-11	87-6	87-6	—16
90-5	87	Sep				86-31	—16
Est. Sales		Prev. Sales169,099					
Prev. Day Open Int.300,023 off 6,844							

Season High	Season Low		Open	High	Low	Close	Chg.
MUNICIPAL BONDS (CBT) $1000x Index-pts & 32nds of 100 pct							
92-14	78-25	Mar	90-19	90-5	90-8		—18
91-22	77-6	Jun	89-20	89-21	88-31	89-3	—16
91	78-6	Sep	88-16	88-18	88-4	88-7	—19
90-21	81-10	Dec	87-13	87-15	87-13	87-15	—20
90-14	86-13	Mar	87	87-2	86-25	86-27	—22
Est. Sales		Prev. Sales 1,971					
Prev. Day Open Int. 20,992 off 47							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.71	89.29	Mar	89.86	89.87	89.70	89.71	—.16
92.12	89.19	Jun	89.56	89.57	89.26	89.27	—.29
91.92	89.00	Sep	89.64	89.64	89.34	89.35	—.27
91.74	88.99	Dec	89.70	89.71	89.48	89.48	—.22
91.62	88.90	Mar	90.01	90.01	89.83	89.83	—.18
91.50	88.82	Jun	90.22	90.22	90.05	90.06	—.16
91.40	88.74	Sep	90.35	90.35	90.20	90.21	—.14
91.31	90.03	Dec	90.33	90.33	90.21	90.21	—.13
91.06	89.90	Mar	90.34	90.38	90.28	90.29	—.13
90.96	89.91	Jun	90.34	90.38	90.26	90.26	—.18
90.92	90.12	Sep	90.36	90.36	90.25	90.26	—.18
90.77	90.10	Dec	90.34	90.35	90.23	90.25	—.09
Est. Sales274,978 Prev. Sales 85,443							
Prev. Day Open Int.733,643 off 3,160							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.8526	1.6320	Mar	1.7228	1.7228	1.7140	1.7188	—30
1.8370	1.6200	Jun	1.7100	1.7104	1.7018	1.7070	—24
1.7754	1.6900	Sep	1.6950	1.6950	1.6910	1.6982	—22
1.7400	1.6830	Dec	1.6900	1.6900	1.6870	1.6934	—20
Est. Sales		Prev. Sales 15,100					
Prev. Day Open Int. 37,922 up 2,920							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8476	.7570	Mar	.8351	.8355	.8335	.8339	+4
.8433	.7670	Jun	.8306	.8313	.8293	.8297	+4
.8385	.7940	Sep	.8271	.8275	.8260	.8259	+2
.8370	.7920	Dec	.8234	.8234	.8234	.8223	
.8310	.7890	Mar				.8187	—4
.8198	.8198	Jun				.8151	—8
Est. Sales		Prev. Sales 5,339					
Prev. Day Open Int. 28,154 off 551							
FRENCH FRANC (IMM) $ per franc- 1 point equals $0.00001							
.17020	.15650	Mar				.15855	+35
.16170	.15670	Jun	.15870	.15870	.15870	.15895	+40
Est. Sales		Prev. Sales 1					
Prev. Day Open Int. 397 off 1							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6166	.5292	Mar	.5381	.5384	.5356	.5374	—9
.5975	.5359	Jun	.5433	.5435	.5407	.5425	—8
.5977	.5411	Sep	.5481	.5481	.5455	.5473	—6
.5825	.5440	Dec	.5503	.5510	.5503	.5517	—6
Est. Sales		Prev. Sales 27,056					
Prev. Day Open Int. 63,383 up 1,175							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008990	.007439	Mar	.007747	.007753	.007712	.007726	—42
.008485	.007500	Jun	.007860	.007865	.007824	.007843	—37
.008580	.007690	Sep	.007930	.007960	.007930	.007953	—33
.008650	.007735	Dec	.008045	.008045	.008045	.008045	—45
.008338	.008330	Mar				.008170	—25
Est. Sales		Prev. Sales 33,953					
Prev. Day Open Int. 53,153 off 4,625							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.7701	.6260	Mar	.6303	.6305	.6275	.6293	—12
.7130	.6319	Jun	.6371	.6379	.6344	.6368	—5
.7218	.6380	Sep	.6425	.6449	.6415	.6443	+4
.6592	.6490	Dec	.6495	.6495	.6495	.6518	+13
Est. Sales		Prev. Sales 22,137					
Prev. Day Open Int. 33,798 up 791							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
192.20	171.00	Mar	179.60	179.60	178.10	178.90	—1.40
194.50	170.10	May	181.50	183.10	181.20	182.80	—.80
196.00	167.10	Jul	185.70	187.00	185.20	186.30	—1.10
194.70	175.10	Sep	185.00	186.50	184.80	186.30	—.50
190.60	177.00	Nov	182.10	183.00	182.10	183.40	—.10
192.00	181.20	Jan	185.00	185.00	184.90	185.00	—.50
186.10	186.10	Mar	185.00	185.00	185.00	185.00	—1.10
Est. Sales 1,381 Prev. Sales 1,579							
Prev. Day Open Int. 6,813 off 123							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
68.70	49.03	May	61.50	61.80	61.07	61.64	—.04
68.50	49.26	Jul	62.20	62.70	61.90	62.63	+.13
65.70	50.35	Oct	62.80	63.15	62.55	62.90	—.15
65.50	50.75	Dec	63.00	63.50	62.90	63.42	+.07
68.30	53.60	Mar	63.90	63.90	63.60	63.85	+.12
63.75	55.90	May	64.00	64.00	64.00	64.18	+.34
64.00	63.70	Jul				64.45	+.45
Est. Sales 7,500 Prev. Sales 10,478							
Prev. Day Open Int. 37,274 up 2,546							
HEATING OIL (NYME) 42,000 gal- cents per gal							
51.90	35.65	Apr	50.55	51.35	50.25	51.20	+.82
49.80	34.85	May	48.40	49.30	48.05	49.30	+.89
48.25	34.65	Jun	47.30	47.65	46.75	47.75	+.70
47.48	34.75	Jul	46.65	46.90	46.25	46.75	+.33
47.95	35.45	Aug	47.25	47.25	46.75	47.05	+.18
48.50	36.25	Sep	48.00	48.00	47.30	47.65	+.18
48.65	37.20	Oct	48.60	48.60	48.35	48.35	+.23
49.35	38.80	Nov	49.40	49.40	48.80	48.80	+.03
50.80	39.00	Dec	50.00	50.00	49.70	49.70	+.28
Est. Sales		Prev. Sales 19,005					
Prev. Day Open Int. 59,552 up 1,020							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
18.88	12.60	Apr	18.50	18.59	18.25	18.48	—.0
18.58	12.52	May	18.10	18.17	17.92	18.08	
18.10	12.60	Jun	17.77	17.83	17.62	17.76	—.01
17.95	12.60	Jul	17.55	17.55	17.37	17.50	—.02
17.90	12.60	Aug	17.32	17.36	17.22	17.30	—.04
17.74	12.68	Sep	17.24	17.24	17.08	17.18	—.10
17.70	12.75	Oct	17.15	17.15	16.98	16.98	—.11
17.09	15.00	Nov	17.05	17.05	16.91	16.91	—.10
56.20	13.40	Dec	16.98	16.98	16.85	16.85	—.10
17.75	15.67	Jan	16.75	16.79	16.75	16.75	—.10
Est. Sales		Prev. Sales 79,456					
Prev. Day Open Int.223,653							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
302.45	253.90	Mar	294.80	294.15	291.50	294.00	—.75
306.15	263.80	Jun	297.70	297.80	295.10	297.45	—.75
309.10	271.50	Sep	301.60	301.60	299.50	301.80	—.75
311.80	298.90	Dec	305.00	305.00	304.30	306.45	—.50
Est. Sales		Prev. Sales 65,533					
Prev. Day Open Int.138,756 up 524							
VALUE LINE (KCBT) points and cents							
269.40	224.80	Mar	264.30	265.00	262.80	264.95	+.45
277.30	245.70	Jun	268.20	268.50	266.60	268.50	
273.10	267.30	Sep				272.60	—.10
273.00	271.00	Dec				276.60	—.10
		Mar				280.60	—.10
Est. Sales		Prev. Sales 522					
Prev. Day Open Int. 1,490 up 253							
NYSE COMP. INDEX (NYFE) points and cents							
169.80	144.25	Mar	165.15	165.50	163.90	165.45	—.30
171.60	149.60	Jun	167.30	167.40	165.90	167.35	—.45
173.40	153.00	Sep	168.25	169.00	168.25	169.50	—.55
173.00	161.10	Dec	170.75	171.00	170.75	171.65	—.60
Est. Sales		Prev. Sales 5,109					
Prev. Day Open Int. 7,799 off 188							

Commodity Indexes

	Close	Previous
Moody's	1,125.90 f	1,118.10 f
Reuters	2,005.50	1,997.60
D.J. Futures	142.09	149.61
Com. Research	246.03	245.73

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

Currency Options

March 10

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Mar	Apr	Jun	Puts—Last Mar	Apr	Jun
50,000 Australian Dollars-cents per unit.							
ADollr	75	r	r	r	r	r	0.30
82.20	76	r	r	r	r	0.05	0.36
82.20	77	5.18	r	r	r	r	r
82.20	79	r	r	r	r	0.38	1.22
82.20	80	2.25	r	r	r	0.60	1.59
82.20	81	1.13	1.80	r	r	0.90	2.10
82.20	82	0.20	1.11	r	0.10	1.44	r
82.20	83	0.01	0.70	r	0.82	r	r
82.20	84	r	0.42	r	1.80	r	r
82.20	85	r	r	0.60	r	r	r
82.20	86	r	r	0.46	3.79	r	r
82.20	87	r	r	0.32	4.76	r	r
82.20	91	r	r	r	8.46	r	r
50,000 Australian Dollars-European Style.							
82.20	82	r	r	r	0.10	r	r
31,250 British Pounds-cents per unit.							
BPound	167½	3.95	r	r	r	r	r
171.97	170	r	2.85	r	r	1.55	3.35
171.97	172½	0.02	r	r	0.45	r	r
171.97	175	r	0.79	2.20	2.95	r	r
171.97	177½	r	0.40	r	5.85	r	r
171.97	182½	r	r	r	10.90	r	r
31,250 British Pounds-European Style.							
171.97	177½	r	r	r	5.72	r	r
50,000 Canadian Dollars-cents per unit.							
CDollr	81	2.39	r	r	r	r	r
83.40	82	1.41	r	r	r	r	r
83.40	82½	0.88	1.04	r	r	0.25	0.68
83.40	83	0.39	r	r	r	r	0.96
83.40	83½	0.02	r	r	0.10	0.63	r
83.40	84	r	r	0.53	0.57	r	r
83.40	84½	r	r	r	1.10	r	r
83.40	85	r	0.07	r	1.61	r	r
50,000 Canadian Dollars-European Style.							
CDollar	83	0.67	r	r	r	r	r
83.40	83½	r	r	r	0.10	0.63	r
83.40	84	r	r	r	0.63	r	r
83.40	84½	r	r	r	1.10	r	r
62,500 West German Marks-cents per unit.							
DMark	51	r	r	r	r	0.04	r
53.75	52	1.65	r	r	0.01	0.12	0.36
53.75	53	0.71	1.12	r	r	0.30	0.64
53.75	54	0.01	0.62	1.20	0.22	0.66	1.11
53.75	55	r	0.23	0.84	1.28	r	1.63
53.75	56	r	0.09	0.46	2.28	r	r
53.75	57	r	0.04	0.29	3.35	r	3.26
53.75	59	r	r	0.09	r	r	r
6,250,000 Japanese Yen-100ths of a cent per unit.							
JYen	73	4.21	r	5.31	r	r	r
77.30	74	3.22	r	r	r	0.04	r
77.30	75	r	r	r	r	0.13	0.34
77.30	76	1.28	1.87	r	r	0.26	0.57
77.30	77	0.34	r	r	0.02	0.55	0.90
77.30	78	0.01	0.70	r	0.70	1.05	r
77.30	79	r	0.33	r	1.70	r	r
77.30	80	r	0.16	0.74	r	r	r
77.30	81	r	r	r	3.72	r	r
77.30	83	r	r	0.21	r	r	r
62,500 Swiss Francs-cents per unit.							
SFranc	59	3.79	r	r	r	r	r
62.96	62	0.98	r	r	r	0.30	r
62.96	63	0.02	r	1.76	0.03	0.77	1.20
62.96	64	r	r	r	1.08	1.30	r
62.96	65	r	0.18	r	2.16	r	r
62.96	66	r	r	r	3.21	r	r
62.96	68	r	r	0.23	r	r	r
62.96	69	r	r	0.14	5.91	r	r
62,500 Swiss Francs-European Style.							
62.96	63	r	r	r	0.07	r	r
62.96	68	r	r	r	r	r	4.37

Total call vol. 15,972 Call open int. 271,239
Total put vol. 40,821 Put open int. 382,209
r—Not traded. s—No option offered.
Last is premium (purchase price).
Source: AP.

NYSE Highs-Lows

NEW HIGHS 36

AmerHess	AmHeritLf	BearStearns	BordnCh n
CNW Cp	CNW pf	CedarFair	DeSoto Inc
Energen s	EnterraCo	FedNat Mtg	FedNMtg wt
FedSignl	G Housewar	Genesco Inc	Handlman s
HandyHar	K Mart	KoreaFd s	LoewsCp
MCA Inc	MexicoFd	NL Ind n	PennlifKn
PhilipMor	PhilipPet	Phicorp	RaymdJames
SPS Tech	SwstAirl	TCBY Ent	UnPlantr s
UniTel	UnTel 150pf	UniTel2d pf	WalCptSvc

NEW LOWS 13

BancTexas	viBerkey	ConnNGs	GibincPlu n
IndMch 12pf	IntgRs adj p	IntgRs 425p	LomNFin
NSPw 680pf	PinacleWst	PrimeMotr	RPS Rlty n
Raytech			

AMEX Highs-Lows

NEW HIGHS 20

Acton pf	AmTr-mo un	AmTr-mo sc	AtlasCM
B&H Mar n	B&H OcnCr n	BowlAmer s	CrownCrft
DixonTicon s	FirstfedAm	FredHolywd	GouldLP
GuardnBc s	Intl Baknot	JacobsEng	LilVernon
MetrbkNA	SeabrdCo	Unitil	VermntAm s

NEW LOWS 7

AmShared	CompuDyne	DreyfusMun n	LondsgPc
Medchem	Weiman	WstDigital	

The Daily Source for International Investors.
Herald Tribune

Floating-Rate Notes

March 10

Dollars

Issuer/Mat.	Coupon	Next	Bid	Askd
[illegible]				

Source : Credit Suisse-First Boston Ltd., London

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Published With The New York Times and The Washington Post

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Paris Commodities

March 10

	High	Low	Close Bid	Ask	Ch'ge
SUGAR French francs per metric ton					
May	2,056	1,990	2,035	2,040	+ 12
Aug	2,090	2,060	2,070	2,075	+ 14
Oct	2,020	1,980	2,000	2,010	— 3
Dec	N.T.	N.T.	1,950	1,980	+ 5
Mar	1,913	1,900	1,900	1,915	Unch.
May	N.T.	N.T.	1,885	1,900	Unch.
Est. vol: 1,888 lots of 50 tons. Prev. actual sales: 2,314 lots. Open interest: 15,256.					
COCOA French francs per 100 kg					
Mar	N.T.	N.T.	1,035	—	— 5
May	N.T.	N.T.	1,045	—	— 5
Jly	N.T.	N.T.	1,065	—	— 5
Sep	N.T.	N.T.	1,075	—	— 5
Dec	N.T.	N.T.	1,005	—	— 5
Mar	N.T.	N.T.	1,005	—	— 5
May	N.T.	N.T.	1,005	—	— 5
Est. vol: 0 lots of 10 tons. Prev. actual sales: 0 lots. Open position: 83.					
COFFEE French francs per 100 kg					
Mar	N.T.	N.T.	1,215	1,299	+ 49
May	N.T.	N.T.	1,220	1,241	+ 3
Jly	N.T.	N.T.	1,215	1,239	+ 3
Sep	N.T.	N.T.	1,194	1,228	+ 14
Nov	N.T.	N.T.	1,192	1,220	+ 3
Jan	N.T.	N.T.	1,180	—	+ 3
Mar	N.T.	N.T.	1,177	—	+ 7
Est. vol: 0 lots of 5 tons. Prev. actual sales: 0 lots. Open position: 527.					

Source: Bourse de Commerce.

London Commodities

March 10

	Close Bid	Ask	High	Low	Previous Bid	Ask
SUGAR U.S. Dollars per metric ton						
May	268.20	268.60	277.00	266.00	265.00	265.20
Aug	267.60	267.80	275.00	267.80	265.00	267.00
Oct	265.00	265.60	274.00	264.00	262.40	262.60
Dec	259.00	265.00	265.00	265.00	260.00	261.60
Mar	256.00	257.00	262.40	256.00	254.60	256.00
May	254.00	255.00	N.T.	N.T.	252.00	254.00
Aug	251.20	254.00	N.T.	N.T.	251.00	254.00
Volume: 10,915 lots of 50 tons.						
COCOA Sterling per metric ton						
Mar	833	835	837	830	841	843
May	852	853	855	846	859	860
Jul	856	857	864	854	866	867
Sep	858	859	866	859	870	871
Dec	892	893	897	891	899	900
Mar	866	869	875	866	878	883
May	867	871	871	866	878	881
Volume: 4,886 lots of 10 tons.						
GASOIL U.S. dollars per metric ton						
Apr	143.50	143.75	144.50	143.50	145.25	145.50
May	142.50	142.75	143.25	142.25	143.75	144.00
Jun	140.75	141.00	141.50	140.75	142.00	142.25
Jul	140.50	140.75	141.50	141.50	141.75	142.00
Aug	141.50	N.T.	140.50	140.50	142.25	147.00
Sep	143.00	145.50	N.T.	N.T.	145.50	146.00
Oct	145.50	146.00	145.50	145.50	145.75	146.25
Nov	146.50	146.75	146.75	146.75	146.75	147.00
Dec	141.00	150.00	N.T.	N.T.	146.00	152.00
Volume: 4,513 lots of 100 tons.						

Sources: Reuters and London Petroleum Exchange.

Dividends

March 10

Company	Per	Amt	Pay	Rec
EXTRA				
United Corp	-	1.25	3-29	3-20
INCREASED				
Davis Watr & Wast	Q	.06 ½	4-3	3-20
Dow Chemical Co	Q	.80	4-28	3-31
Gesco Industries	-	.03	3-30	3-21
Wal-Mart Stores	Q	.05 ½	4-10	3-24
INITIAL				
First Comm Bncrp	-	.10	4-28	3-31
JHM Mtge Secrts LP	-	.42	4-13	3-31
OMITTED				
Residential Mtge Investments Inc				
STOCK SPLIT				
Centel Corp — 3-for-2				
Rowe Furniture Corp — 3-for-2				
USUAL				
American Biltrite	Q	.03 ¾	4-14	3-24
Colgate-Palmolive	Q	.37	5-15	4-25
Co-operatv Bk Concrd	-	.15	4-15	3-31
Essex County Gas	Q	.31	4-1	3-17
Hornischfeger Ind	Q	.05	4-10	3-27
Idaho Power Co	Q	.45	5-20	4-25
Idaho Power Co	-	.45	5-20	4-25
Intl Fncl Svcs	Q	.15	4-21	3-21
Lincln NC Rlty Fd	Q	.35	4-28	4-12
Lomas Mtge Scrt Fd	M	.10 ½	3-30	3-20
NERCO Inc	Q	.16	5-15	4-28
Paradise Fruit Co	-	.35	3-27	3-17
Pennview Svgs Ass	Q	.06	4-21	3-31
Prime Motor Inns	Q	.02	4-30	4-3
Put MT-USG&HQBF	A	.36	3-31	3-23
Putnm Cp MT-G/IF	A	.16	3-31	3-23
Putnm Cap MT-HYF	A	.47	3-31	3-23
Putnm Cp MT-M-SF	A	.31	3-31	3-22
Putnm Cap MT-VF	A	.05	3-31	3-23
Putnm Glbl Gvt IT	M	.13	4-3	3-20
Putnm Opt Tr	Q	.10	3-31	3-20
Rockefellr Ctr Prp	Q	.46	4-24	4-3
Strategic Mtge Inv	Q	.32	3-31	3-20
Thomsin Mls cl-A&B	-	.10	4-1	3-20
Unicorp American	Q	.07 ½	3-31	3-15
Von Dorn Co	Q	.15	5-2	4-14

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

London Metals

Mar. 10

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	2190.00	2200.00	2190.00	2200.00
Forward	2160.00	2165.00	2160.00	2165.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1960.00	1965.00	1910.00	1915.00
Forward	1833.00	1834.00	1798.00	1799.00
LEAD Sterling per metric ton				
Spot	338.00	340.00	340.50	341.50
Forward	348.00	349.00	350.50	351.00
NICKEL Dollars per metric ton				
Spot	17600	17700	17850	17950
Forward	17100	17200	17050	17100
SILVER U.S. cents per troy ounce				
Spot	594.00	597.00	582.00	585.00
Forward	607.00	610.00	595.00	598.00
ZINC (High Grade) Dollars per metric ton				
Spot	2075.00	2085.00	2045.00	2055.00
Forward	1955.00	1960.00	1939.00	1940.00

Source: AP.

Spot Commodities

March 10

Commodity	Today	Prev.
Aluminum, lb	0.9905	0.9905
Coffee, lb	1.27	1.27
Copper electrolytic, lb	1.621	1.65
Iron FOB, ton	213.00	213.00
Lead, lb	0.35	0.37
Printcloth, yd	0.50	0.50
Silver, troy oz	5.97	5.85
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	114.00	106.50
Tin, lb	5.5403	5.4868
Zinc, lb	0.95	0.89

Source: AP.

U.S. Treasuries

March 10

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	8.73	8.75	9.06	8.97
6-month bill	8.77	8.79	9.30	9.17
1-year bill	8.79	8.81	9.51	9.37

	Bid	Offer	Yield	Prev. Yield
30-yr. bond	97 6/32	97 8/32	9.15	9.06

Source: Salomon Brothers.

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DM Futures Options

W. German Mark-125,000 marks, cents per mark

March 10

Strike Price	Calls-Settle Apr	May	Jun	Puts-Settle Apr	May	Jun
52	—	—	2.53	0.04	0.15	0.22
53	1.38	—	1.80	0.14	0.34	0.51
54	0.68	0.94	1.20	0.43	0.69	0.85
55	0.27	0.51	0.76	1.02	1.26	1.50
56	0.08	0.25	0.45	1.82	1.98	2.16
57	0.02	0.12	0.26	—	—	2.97

Est. total vol.: 10,235
Calls: Thu volume: 4,340; open int.: 39,935
Puts: Thu. volume: 3,331; open int.: 45,563
Source: CME.

S&P 100 Index Options

March 10

Strike Price	Calls-Last Mar	Apr	May	Jun	Puts-Last Mar	Apr	May	Jun
220	—	—	—	—	—	—	—	—
225	—	—	—	—	—	—	—	—
240	—	—	—	—	—	—	—	—
245	32½	—	—	—	—	⅛	½	—
250	27	—	—	—	—	⅛	—	—
255	21	—	—	—	⅛	½	—	—
260	—	20½	22	—	⅛	⅝	1⅛	—
265	12 7/2	15⅛	—	—	⅛	1⅛	2⅛	3⅛
270	6⅛	12	13½	—	⅛	1⅝	3	—
275	4	8⅛	9⅞	—	1⅛	2⅝	4⅛	5⅜
280	1⅝	5⅛	7½	—	3½	6	5⅛	—
285	⅛	3⅛	5⅛	—	8	—	10½	9⅛
290	⅛	1⅛	3⅛	—	13⅛	12	14	16
295	⅛	⅛	1⅛	—	—	18	19⅛	—
300	⅛	⅛	1	—	—	—	—	—

Calls: total volume 100,987; total open int. 398,771
Puts: total volume 137,425; total open int. 530,730
S&P 100 Index:
High 278.36 low 275.65 close 276.98 — 1.38
Source: CBOE.

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BUSINESS ROUNDUP

Analysts Predict Breakup of Emhart

Reuters

NEW YORK — Emhart Corp., which on Thursday rejected a hostile $2.4 billion takeover bid from Topper LP, may well find an alternative suitor but it is unlikely to survive in its present form, according to industry analysts.

"It should be easy to find an alternative to Topper's $35-a-share offer," said Edward Wheeler, an analyst at County NatWest USA.

"But the company will not be sold in its entirety as it exists today," Mr. Wheeler added. "And if it is, the pieces will be quickly resold."

Emhart, a diversified manufacturing and computer-services company based in Farmington, Connecticut, called Topper's offer "financially inadequate" and said it had talked with other parties interested in acquiring some or all of the company.

Analysts doubt Emhart's management or another party would attempt a leveraged buyout, given the large amount of debt already on its books. They said it was more likely that Emhart would sell some of its businesses and use the proceeds to fund a payout to shareholders, a stock buyback or other recapitalization plan.

Another option would be for Emhart to allow itself to be taken over by a friendly suitor, which would sell off parts of the company to finance the deal, analysts said.

"There are a number of companies that could be interested," said James Paper, an analyst with Kirkpatrick, Pettis, Smith & Polian.

Although no names of possible rivals to Topper have emerged, analysts said a likely candidate would be a foreign company with some businesses that matched Emhart's.

Topper, formed by Gordon P. Getty, the oil heir, and the Fisher real estate family of New York, could raise its offer. The partnership said Friday that it was disappointed that the bid was rejected but gratified that Emhart indicated a willingness to achieve maximum shareholder value.

The stock market is clearly expecting a higher offer for Emhart. After falling as much as $1.25 following the rejection of the Topper bid Thursday, Emhart's shares recovered to close 25 cents higher. On Friday, Emhart shares edged up another 12.5 cents to close at $42.375 on the New York Stock Exchange.

"Everybody has their price — $40 to $45 is my best guess," said Mr. Paper of Kirkpatrick, Pettis.

Emhart would prefer to remain independent. Peter Scott, the chairman, began a restructuring of the company in 1986, selling several businesses and buying others and moving into computer services.

"The board believes that the full benefits of the company's strategies have yet to be realized and that Emhart is in a position to continue to build on the favorable results achieved over the past two years," Mr. Scott said Thursday.

Pirelli's Revenue Grew A Solid 25% Last Year

Reuters

MILAN — Pirelli SpA, the diversified Italian tire maker, said Friday that 1988 group sales had risen 25 percent to $7.01 billion from $5.61 billion in 1987.

Excluding acquisitions made last year, such as Armstrong Tire Co., sales rose 13 percent, the company said. Pirelli gave no profit figures. It said they would be provided in May when the group issues its first results on a consolidated basis. Pirelli said it expected improved sales and profit in 1989.

DSM Pays $238 Million For Armtek Rubber Unit

Reuters

AMSTERDAM — DSM NV said Friday that it was buying Copolymer Rubber Chemical Corp. of the United States for 500 million guilders ($238 million), the biggest acquisition ever for the Dutch chemicals group.

DSM is purchasing Copolymer, which is based in Baton Rouge, Louisiana, from Mark IV Industries Inc. Copolymer was a unit of Armtek Corp., the former Armstrong Rubber, which Mark IV acquired in September in a deal valuing Armtek at $561 million.

Copolymer Rubber makes a synthetic rubber known as ethylene-propylene-dimonomer rubber, or EPDM. DSM said the acquisition would give it a leading position in the world market for this material.

EPDM rubber is resistant to chemicals, oxidation, ozone and ultra-violet radiation and is used in such applications as seals, bumpers and hoses.

Arthur Spierts, a spokesman for DSM, said the acquisition would be paid for out of the company's reserves. On Thursday, DSM announced net profit of 622 million guilders for 1988, up 40.7 percent from 442 million guilders in 1987.

The Dutch state sold one-third of DSM's stock to the public in February and is expected to sell a further third later this year.

Copolymer Rubber produces around 60,000 tons of EPDM a year.

In 1988, DSM strengthened its market position for this type of rubber by a 50:50 joint venture with Idemitsu Petrochemical Co. for production and marketing of EPDM rubber in Japan.

Mr. Spierts said that because Copolymer and DSM have different production techniques, engineers would be able to swap know-how to develop new applications for the rubber.

Fiesta Gets a New Look for Europe

Ford Redesigns Its Small Model

Reuters

GENEVA — Ford Motor Co. has redesigned its 13-year-old Fiesta to sharpen its assault on small car sales in Europe, the world's biggest market for motor vehicles.

It hopes to sell up to half a million revamped Fiestas in Europe next year, up from its record of 382,000 sales in 1987.

But Ford faces stiff competition from such European contenders as the Fiat Uno, the Renault 5, the Peugeot 205 and the Volkswagen Polo.

Japanese models also take a slice of the European market, but they are limited by the European Community's quota system.

Ford of Europe, part of Ford Motor Co. of the United States, saw its overall share of the European market fall to 11.5 percent last year from 12.1 percent in 1987.

Profit jumped over the same period to a record $1.56 billion from $1.08 billion the previous year.

"We do plan on selling more Fiestas of the new generation than we did of the old," said Louis E. Lataif, president of Ford of Europe.

"We have a five-door version which was not available on the old one, and once we're up to full production we'll sell closer to 450,000 and 500,000 next year," he said.

The new Fiesta, introduced at the 59th Geneva International Motor Show, goes on sale all over Europe on April 13. It has a longer wheel base and is wider than the model it replaces.

The new car can be powered by engines between 1.1 liters and 1.6 liters. There is also a diesel option. An anti-lock braking system is also available, which is unusual for a small car.

Ford also offers a continuously variable automatic transmission, which replaces the traditional automatic gearbox with a system of steel belts.

It will build the car in Valencia, Spain; Cologne, West Germany; and Dagenham, England.

Last year, total car sales in Europe hit a record 12.99 million units, with Fiat SpA of Italy and Volkswagen AG of West Germany vying for first place. Each had 14.9 percent of the market.

Peugeot SA of France, with 12.9 percent, overtook Ford.

Of the other big car makers in Europe, the Vauxhall and Opel divisions of General Motors Corp., the world's biggest carmaker, were just ahead of Renault of France, which was in sixth place with just over 10 percent of the market.

The European car market has had almost five years of uninterrupted growth, but many motor analysts predict it will slow down by between 1 percent and 4 percent in 1989.

Mr. Lataif said he also expected the market to shrink slightly.

Ford's market share, which it hopes will be about 12 percent this year, varies around Europe.

"We have nearly 30 percent in Britain, but only 4 percent in Italy, 7 percent in France, 15 percent in Spain," Mr. Lataif said. "We would like to do better in southern markets and the Fiesta should help us do it because nearly half of the demand in these markets is for small cars."

"As for our profits this year, I can't predict," he said. "But from the way its started I'm hoping it will be a good year for us."

Chip Makers Anticipate a Smoother Ride

Reuters

TOKYO — Bitter lessons learned during the last devastating slump in the world microchip market are smoothing out the peaks and troughs of a boom-bust pattern, according to industry experts.

The 1985-86 slump drove most U.S. chipmakers out of the important memory-chip market and caused major losses in the semiconductor divisions of Japanese electronics companies.

"The experience has been chastening," said Steve Myers, analyst at Jardine Fleming (Securities). "Everybody lost money."

He said, "the 1983-84 boom and the 1985-86 recession in the industry were abnormal."

The last big market decline occurred because of a mismatch involving huge outlays for new production capacity, by the Japanese in particular, and a drop in demand. Demand began to taper off just as new capacity came on line, analysts said.

"In 1984, the Japanese invested 40 percent of sales in new capacity, and about 37 percent in 1985," Mr. Myers said. "Those were outrageous numbers — you can't do that in any industry."

The Japanese companies, eager to expand market share, did not pull back when early signs of a downturn emerged.

"They invested in both the up and the down cycles," said Peter Wolff, an analyst at Prudential-Bache Securities (Japan).

This time, though signs of an industry downturn are clear, things are likely to be different.

"The silicon cycle itself is smoothing out," said Masahisa Shirata, industry analyst at the Nikko Research Center.

A 1986 pact between the United States and Japan on semiconductor trade is partly responsible for the change, some analysts said. Under the pact, Tokyo pledged to stop dumping, or selling microchips overseas below production cost, and to increase U.S. chipmakers' access to the Japanese market.

To implement the agreement, the Ministry of International Trade and Industry in Japan issued regular supply-demand forecasts and monitored prices.

"MITI production forecasts and exhortations about over-investment, spurred by the chip pact, act as a regulator in the industry," said Mr. Wolff.

Analysts and company officials said Japanese makers were unlikely to repeat their earlier strategy of over-investment.

"Investment levels in 1984-85 created too much supply," said Hideharu Egawa, head of Toshiba Corp.'s semiconductor group. "Investment last year was lower as a percentage of sales, so we don't expect a replay."

Planned capital investment for 1988-89 by the nine top microchip makers in Japan was 79 percent higher than in 1987-88, according to a report by Nomura Securities Co.'s research arm.

But analysts said much of the investment was aimed at developing leading-edge technology, rather than merely increasing capacity for existing chips.

U.S. manufacturers are also restricting capacity, while developing closer relations with customers to help them plan better and control inventories.

More stable demand for microchips will also help level the cycle, analysts said. Demand is now driven mostly by office computers, sales of which fluctuate less than other products.

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Sprint Acquires Transatlantic Cable Stake

By Calvin Sims

New York Times Service

WASHINGTON — In a move to expand its international presence, U.S. Sprint Communications Co. has announced plans to buy a 50 percent stake in the first private telecommunications cable linking the United States and Europe.

Under the agreement, which was announced Thursday, U.S. Sprint will acquire the interests of Private Transatlantic Telecommunications System Inc., a privately held company based in McLean, Virginia, that is laying a fiber-optic cable across the Atlantic.

The cable, called PTAT-1, is a joint venture with Cable & Wireless PLC of Britain.

Terms of the deal were not disclosed, but industry analysts estimated that U.S. Sprint paid more than $250 million for the stake.

The global long-distance market has annual revenue of $9 billion and is growing by about 20 percent a year. U.S. companies account for about $2.8 billion of the total, with American Telephone & Telegraph Co. controlling about 88 percent of the domestic market for international service.

Industry analysts said the acquisition would make U.S. Sprint more competitive because the long-distance carrier could offer its large corporate customers a broader array of international services.

They said that ownership in the new fiber cable would increase U.S. Sprint's appeal to European companies that exchange large amounts of information with their operations in the United States.

"When you are dealing with Fortune 1,000 accounts, you have to provide the full range of services on a global basis, and that's what this deal will allow U.S. Sprint to do," said Charles Nichols, a telecommunications analyst.

The PTAT-1 cable, which cost about $450 million to construct, is scheduled to go into service in August.

BANQUE NATIONALE DE PARIS

Floating rate note issue of U.S $400 million September 1983/91

The rate of interest applicable for the period beginning March 6 1989 and set by the reference agent is 10¹¹⁄₁₆% annually.

AUSTRALIA FUND

Société d'Investissement à Capital Variable

2, boulevard Royal - Luxembourg

R.C. Luxembourg B-24061

Shareholders are hereby convened to attend the

ANNUAL GENERAL MEETING

of shareholders of our company, which will take place at the company's registered office, 2, boulevard Royal, Luxembourg, on March 20, 1989 at 11.00 a.m. for the purpose of considering and voting upon the following agenda:

1. **Submission of the report of the Board of Directors;**
2. **Approval of the Statement of Net Assets at December 31, 1988 and the Statement of Operations for the year ended December 31, 1988;**
3. **Allocation of the net results;**
4. **Discharge of the Directors and the Statutory Auditor;**
5. **Receipt of and action on nomination of the Director.**
6. **Miscellaneous.**

Resolutions on the agenda of the annual general meeting will require no quorum and will be taken at the majority of the votes expressed by the shareholders present or represented at the meeting.

In order to attend the meeting of March 20, 1989, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Company or with Banque Internationale à Luxembourg, Société Anonyme, 2, boulevard Royal, L - 2953 Luxembourg.

THE BOARD OF DIRECTORS

SAVE & PROSPER BALANCED FUND

SICAV

24-28, Rue Jean l'Aveugle, Luxembourg.

R.C. Luxembourg B 22 823

NOTICE

is hereby given that an extraordinary general meeting of shareholders will be held at the registered office at 24-28, rue Jean l'Aveugle, Luxembourg, on March 28, 1989 at 3 p.m. in order to resolve about the following:

Amendment of the Articles, including Amendment of article 3 to insert the word "transferable" before the word "securities" in the first paragraph ad to replace the reference to the law of August 25, 1983 by that to the law of March 30, 1988 in the second paragraph, as well as other amendments to articles 11, 12, 13, 16, 20, 22, 23, 25 and 30 required or permitted by the law of March 30, 1988 to adjust the articles to provide for certain amendments as a result of changes of general company law.

The shareholders are advised that a quorum of one half of the shares outstanding is required for the holding of the meeting and resolutions will be passed by an affirmative vote of two/thirds of the shares present or represented at such meeting.

Proxy forms containing the full wording of the proposed amendments are available upon request at the registered office. In order to be valid proxy forms duly completed must be received at the registered offices on March 24, 1989 at 5 p.m. at the latest.

THE BOARD OF DIRECTORS

REPUBLIC OF IVORY COAST

TENDER N° 2935 DMP

1. The National Telecommunications Office of the Ivory Coast has obtained a loan from the IBRD, in various currencies, to finance the coast of the project concerning the rufurbishing of the equipment and the strengthening of the maintenance of services.

   It is planned that a portion of the funds granted for this loan will be used to carry out payment for a project covering the modernisation and extension of the urban telephone network of Northern ABIDJAN.
2. The National Telecommunications Office invites, with this Tender, those candidates who are allowed to take part to present their bids under sealed envelope for the modernisation and extension of the urban telephone network of Northern ABIDJAN.
3. The candidates who are allowed to bid can obtain further information and examine the Tenders files in the Office of the Chef de Services des Marchés, located on the 12th floor of POSTEL 2001, door 12-07, Phone : 34.67.61 or 34.67.63. Telex n° 23790 or 23750, ABIDJAN.
4. Any candidate who is allowed to bid and who is interested in the present Tender can buy a complete set of Tender documents, by writing to the above-mentioned Department, or after consulting the Charge Books for a payment of around 400.000 CFA francs, which will not be paid back (by certified cheque or postal money tranfert).
5. Each bid must be accompanied by a deposit on tender of 1.5% of the total amount of the bid. This deposit must be put forward at the same time as the Bids to the Service des Marchés, Immeuble POSTEL 2001, door 12-07, ABIDJAN-CI at the latest on the 18th of April, 1989 before 11.00 am imperatively.
6. The files will be opened in the presence of the bidding representatives who wish to be present at the opening of the 18th of April 1989 at 3.00 pm at La Rotonde de la Cité financière, in ABIDJAN-PLATEAU.

ADVERTISEMENT

INTERNATIONAL FUNDS March 10, 1989

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

AL-MAL GROUP		
(w) Al-Mal Trust, S.A	$	304.81
(r) Managed Currency	$	1211.78
(r) Futures	$	779.49
(w) Equity	$	1032.38
(w) Bond	$	1051.85
ALPHA ASSET MANAGEMENT LTD.		
(m) Alpha Global Fund	$	536.79
(w) Nicholas-Applegate Aurelio.	$	122.83
BANK JULIUS BAER & CO. Ltd.		
(d) Baerbond	SF	924.00*
(d) Conbar	SF	1798.00*
(d) Equibaer America	$	1477.00*
(d) Equibaer Europe	SF	1464.00*
(d) Equibaer Pacific	SF	1685.00*
(d) Stockbar	SF	1991.00*
(d) SFR-BAER	SF	979.00*
(d) Swissbar	SF	2309.00*
BAII MULTICURRENCY		
(r) Multicurrency US$	$	1,243.86
(r) Multicurrency Ecu	ECU	1,137.53
(r) Multicurrency Yen	Y	244,981.00
(r) Multicurrency FFR	FF	10,978.16
BNP INTERFUNDS		
(w) Interbond Fund	$	181.58*
(w) Intercurrency US$	$	10.42
(w) Intercurrency DM	DM	29.86*
(w) Intercurrency Sterling	£	10.14*
(w) Intercurrency Managed	$	10.45*
(w) Interequity French Offer	$	14.03
(w) Interequity Pacific Offer	$	17.29
(w) Interequity N. Amer. Offer	$	12.25
(w) Interequity European Class	$	8.87
(w) Interequity Australia Cls	$	9.75
(w) Interlux Capital Belgian	LF	55,153.00
(w) Interlux Cap.Fr Securite	FF	11,081.60
(w) Interlux Capital FFr	FF	12,958.07
(w) Interlux Cap.France Cap.	FF	10,678.91
(w) Interlux Cap. LUF/BEF	LF	67,218.00
(w) Interlux Capital ECU	ECU	1,233.51
BANQUE BELGE ASSET MGMT FUND		
Share Distributor Guernesey 0481 26614		
(w) Int'l Equity Fund (Sicav)	$	10.94
(w) Int'l Bond Fund (Sicav)	$	10.42
BANQUE INDOSUEZ		
(w) Asian Growth Fund	$	27.32
(w) Asian Income Fund	$	9.29*
(w) Diverbond	SF	84.95
(w) FIF-Internat. Div.A	$	17.56
(w) FIF-Internat. Div.B	$	17.90
(w) FIF Internat.America	$	14.72
(w) FIF Internat.Europe	$	25.58
(w) FIF Internat.Pacific	$	45.43
(w) FIF Internat.Japan	Y	1,126.00
(w) FIF Int. Nat. Res. A	$	10.87
(w) FIF Int. Nat. Res. B	$	10.87
(w) France International	FF	98.29
(w) France Blue chips No 1	FF	105,062.56
(w) Indosuez Multibonds Div.A	$	128.85
(w) Indosuez Multibonds Div.B	$	278.24
(w) Indosuez Multibonds US$	$	105.19
(w) Indosuez Multibonds DM	$	101.91
(w) Indosuez Multibonds YEN	$	9,991.00
(w) IPNA-3	$	1120.00
(w) Malacca Fund	$	10.22
(w) The Siam Fund	$	12.91
(w) Pacific Gold Fund	$	12.21
BANQUE PRIVEE E. DE ROTHSCHILD		
(b) Curalior BP Fixed Inc.Fund	DM	99.77
(b) Curalior BP General Fund	DM	122.04
(w) Daiwa Lcl Equity	$	997.57
(w) Daiwa Lcl Int. Bond	$	1062.32
(b) Eagle Fund	LF	10197.00
(w) Ecu D'Or	ECU	94.13
(b) Governmt. Sec. Fund	$	75.63
(w) Leicom	$	2307.59
(b) Opportunities Fund	$	807.21
(b) Priroe fund	DM	44.37
(b) Prifirst	$	486.47
(b) Pri-Tech	$	1151.69
(w) Rente Plus	BF	55035.00
(t) Select. Horizon Dev.	FF	51597.50
(t) Select. Horizon FF	FF	54842.54
(b) Source Sicav	$	11.06
(b) Star Conv.Fund FL	FL	10104.00
(b) Star Conv.Fund USD	$	99.79
BANQUE SCANDINAVE EN SUISSE-GENEVA		
(w) BSS Bond Fund	SF	77.67
(w) BSS Intelsec.	SF	1599.90
(w) BSS Int'l Bond	$	1.220
(w) BSS Int'l Equity	$	1.990
B.F.A.C.M.		
(w) Ecu Multiplacement	ECU	1151.48
BROADGATE INTERNATIONAL FUND		
(d) $ Money Market	$	11.94
(d) Non-$ Money Market	DM	29.64
(w) $ Bond	$	12.23
(w) Non-$ Bond	DM	31.00
(w) Global Equity	$	16.38
(w) Global Bond	$	12.82
(w) Global Bond & Equity	$	13.49
(w) Prec. Mets/Min. Secs	$	6.74
B.W MANAGED ASSETS CY. SICAV		
(t) Global Bond Fund	ECU	10.67
(t) European Securities Fund	ECU	11.41
(t) French Securities Fund	FF	114.58
(t) North American Secu.Fund	$	9.46
(t) Pacific Basin Secu. Fund	$	9.96
CAISSE CENTRALE DES BANQUES POP.		
(d) Fructilux-Obl.FSES	FF	5,434.26
(d) Fructilux-Obl.Euro	ECU	1,022.07
(w) Fructilux-Act.Fses	FF	6,631.22
(w) Fructilux-Act.Euro	ECU	1,131.06
(d) Fructilux-Tresorier	FF	5,499.61
CALLANDER		
(w) Callander Enter. Gr.	$	103.36
(w) Callander Fund-Asset	$	102.06
(w) Callander Fund-Span.	Ptas	9,854
CAPITAL INTERNATIONAL		
(w) Capital Int'l Fund	$	85.38
(w) Capital Italia SA	$	32.50
CIC GROUP		
(d) Oblicic Monetaire	FF	10961.84
(d) Oblicic Court Terme	FF	11237.93
CITICORP INVESTMENT BANK (Lux.)		
POB 1373 Luxembourg Tel. 477.95.71		
(d) Citicur USD Portofolios	$	1246.48
(d) Citinvest Ecu Income	ECU	1270.36
(d) Citinvest Manag. Growth	$	1123.93
(d) Citi.Mana.Growth Euro	ECU	1006.10
(d) Citinvest Profit Sharing	$	920.59
(d) Citinvest Selector	$	885.40
(d) Citinvest Guardian $	$	1034.20
(d) Citinvest Guardian Euro	ECU	1060.38
(d) Citiport N.A Equity	$	117.11
(d) Citiport Jap. Equity	Yen	11081.00
(d) Citiport UK Equity	£	113.78
(d) Citiport S.Asian Eq.	$	113.65
(d) Citiport Cont.Euro. Eq.	ECU	115.72
(d) Citiport N.A.$ Bond	$	103.58
(d) Citiport Euro Bond	ECU	115.72
(d) Citiport AS.Pac.Bd.	YEN	10397.00
CITITRUST		
(w) US. $ Equities	$	200.99177
(w) US. $ Bonds	$	11.29645
(w) US. $ Money Market	$	11.93049
(w) Global Equities	$	9.66000
(w) Global Money Market	$	11.13000
(w) Global Bonds	$	11.13000
CCF - GAMMA		
(w) CM Actibonds	$	36.89
(w) CM Global Growth	$	11.61
(w) CM North Amer Grth	$	8.53
(w) Elysees Court Terme	FF	56,442.56
(w) Elysees Long Terme	FF	52,723.66
(w) Elysees Monetaire	FF	57,330.99
(w) EMF Deutschmark (A & B)	DM	
(w) EMF Ecu (A & B)rme	ECU	
(w) EMF US Dollar (A & B)	$	
(w) EMF Yen (A & B)	YEN	
(d) Europe Prestige Fund A	ECU	18.24
(d) Europe Prestige Fund B	ECU	18.24
(w) European Smlr Cos. Fd.A	ECU	12.00
(w) European Smlr Comp.Fd.B.	ECU	12.00
CODEVALOR SICAV		
(w) C.Rendement Fr.Suisse	SF	1924.08
(w) C.Rendement US$	$	1418.46
(w) C.Croissance Dollar	$	1459.91
(w) C.Croissance Zone Sterling	£	932.30
COMPASS INTL HOLDINGS Ltd.		
POB 455, Jersey 0534 27267		
(w) Bond: Dollar Medium Term	$	10.32
(w) Bond: Ecu Multicurrency	ECU	10.06
(w) Equity: United Kingdom	£	11.34
CREDIT SUISSE (ISSUE PRICES)		
(d) CSF Bonds	SF	79.50
(d) Bond Valor Swf	SF	104.00
(d) Bond Valor US-DOLLAR	$	116.78
(d) Bond Valor D-mark	DM	111.87
(d) Bond Valor Yen	Y	10,816.00
(d) Bond Valor £ Sterling	£	100.02
(d) Convert Valor Swf	SF	158.05
(d) Convert Valor US-DOLLR	$	170.80
(d) CSF International	SF	126.50
(d) Actions Suisses	SF	544.25
(d) Europa-Valor	SF	205.08
(d) Energie-Valor	SF	148.25
(d) Canasec	SF	626.00
(d) Ussec	SF	671.00
(d) Pacific-Valor	SF	226.25
(d) CS Gold Valor	$	160.86
(d) CS Ecu Bond A	ECU	99.77
(d) CS Ecu Bond B	ECU	114.30
(d) CS Gulden Bond A	FL	98.48
(d) CS Gulden Bond B	FL	109.52
(d) CS Prime Bond 'A'	DM	97.54
(d) CS Prime Bond 'B'	DM	103.06
(d) CS Short-T. Bd DM A	DM	98.79
(d) CS Short-T. Bd DM B	DM	109.09
(d) CS Short-T. Bd $ A	$	96.50
(d) CS Short-T. Bd $ B	$	109.17
(d) CS Money Market Fund	$	1363.17
(d) CS Money Market Fund	DM	1199.75
(d) CS Money Market Fund	£	1415.09
(d) CS Money Market Fd Yen	Y	113,404.00
DIT INVESTMENT FFM		
+(d) Concentra	DM	35.73
+(d) Int'l Rentenfond	DM	75.65
DREXEL BURNHAM LAMBERT INC		
Winchester House, 77 London Wall		
LONDON EC2 (01 9209797)		
(w) Finsbury Group Ltd	$	161.97
(w) Winchester Capital	$	106.12
(w) Winchester Holdings	FF	138.58
(w) Winchester Holdings	£	14.46
(w) Winc.Holdings Ltd.E.B.S	ECU	1115.67
(w) Winc.Reserves.E.B.S	ECU	1078.42

(w) Winc.Reserv.MultiGvBd.	ECU	11.55
(w) Worldwide Securities	$	29.45
(w) Worldwide Special	$	704.88
(m) Winch Fut.Diversified	$	14.96
(m) Winch Fut.Orion Series	$	22.45
(m) Winchester Frontier	$	174.22
(m) Winchester Recovery Ltd	$	91.58
EBC TRUST CO.(JERSEY) LTD.		
1-3 Sele St.,St. Helier:0534-36331		
EBC AMRO TRADED CURRENCY FUND.		
@(d)Inc.: Bid $ 14.14* Offer	$	14.584*
@(d)Cap.: Bid $ 19.41 Offer	$	20.012
INTERNATIONAL INCOME FUND		
(d) Short Term 'A' (Accum)	$	1.1881
(d) Short Term 'A' (Distr)	$	0.7719
(d) Short Term 'B' (Accum)	$	1.4789
(d) Short Term 'B' (Distr)	$	1.0540
(w) Long Term	$	29.17*
ELDERS INTL. MGMT. SERVICES INC.		
W. Roffer, President (212) 573-0440		
(d) EFF	$	311.41
(d) ESP	$	135.19
(d) EMR	$	98.19
ELDERS SWITZ.(038) 24 79 79		
(w) Elders Int Bid SF 101.00 Offer	SF	107.00
(w) Elders Aus Bid AS 88.00 Offer	AS	93.00
EQUIFLEX LIMITED		
(w) Europe A	FL	10.40
(w) Global A	FL	11.34
(w) North America A	FL	9.88
(w) UK Equities	£	10.10
(w) UK Small Co.	£	10.23
EURO PACIFIC ADVISERS Ltd.		
(w) Comete	$	765.67
(w) Meteore	Y	121,038.00
(w) Pacific Horizon Invt. Fd	$	1781.24
F&C MGMT. LTD. INV. ADVISERS		
1, Laurence Pountry Hill, EC4. 01-623-4680		
(w) F&C Atlantic	$	17.87
(w) F&C European	$	33.97
(w) F&C Oriental	$	80.70
(w) F&C N. American M C Fd	$	8.92
(w) F&C Nordic Fund	$	11.09
FIDELITY INT'L INV. MGMT (LUX.) S.A.		
(d) Fidelity Conv. Sec. Portf.	$	9.98
(d) New Europe Fund	$	9.85
FIDELITY POB 670, Hamilton Bermuda		
(m) Fid. Amer. Val.II Com.	$	94.43
(m) Fid. Amr.Val.II Cum.Pref.	$	100.75
(m) Fid. Amer. Val.III Com.	$	46.85
(m) Fid. Amr.Val.III Cum Pref.	$	100.81
(d) Fidelity Amer. Assets	$	130.27
(d) Fidelity Australia Fund	$	14.73
(d) Balanced Portfolio-hedged	$	11.39
(d) Balanced Portfolio-unhedg	$	10.41
(d) Fidelity Discovery Fund	$	16.55
(d) Fidelity Dir. Svgs.Tr.	$	158.27
(d) Fidelity Far East Fund	$	62.32
(d) Fidelity Frontier Fund	$	19.89*
(d) Fidelity Global Ind. Fd	$	12.58
(d) Fidelity Global Selct Fd	$	11.48
(d) Fidelity Int'l. Fund	$	12.97
(d) Fidelity Orient Fund	$	72.09
(d) Fidelity Pacific Fund	$	311.50
(d) Fidelity Sect. Growth Fd.	$	21.34
(d) Fidelity World Fund	$	64.97
FIDELITY PERFORM PORTFOLIOS LTD.		
(d) American Portfolio	$	0.92
(d) Dollar Liquidity Portfolio	$	10.19
(d) European Portfolio	$	1.34
(d) Global Convs. Portfolio	$	0.97
(d) Hard Curr. Liquidity Ptfl.	$	8.93
(d) Intl. Bond Portfolio	$	0.97
(d) Intl. Equity Income Ptfl.	$	0.94
(d) Japan Portfolio	$	1.35
(d) Recovery Portfolio	$	1.87
(d) South East Asian Portfolio	$	0.87
(d) Sterling Liquidity Ptfl.	£	10.30
(d) U.K. Portfolio	£	1.12
FOKUS BANK A.S. 472 428 555		
(w) Scanfonds Int'l growth fd	$	1.52
FORBES PO B887 GRAND CAYMAN		
London Agent 01-839-3013		
(w) Forbes High Inc. Gilt Fd	£	48.00
(w) Gold Income	$	4.95
(w) Gold Appreciation	$	4.35
GAIA CURRENCY HEDGE FUNDS		
(w) Gaia Hedge I	$	86.36
(w) Gaia Hedge II	$	109.09
GAM ANLAGEFONDS AG.		
POB 164, 8034 Zurich Tel.41-1-2516640		
(w) GAM (CH) America	SF	1099.00
(w) GAM (CH) Mondial	SF	1272.00
(w) GAM (CH) Pacific	SF	1407.00
GARTMORE FUND MANAGERS INT.		
45,La Motte Street, JERSEY 0534 27301		
CAPITAL STRATEGY FD. LTD.		
(d) Sterling Deposit	£	1.004*
(d) US$ Deposit	$	1.003*
(d) DM Deposit	DM	5.010*
(d) Yen Deposit	Y	500.4*
(d) Sw. Fr. Deposit	SF	5.008*
(d) Austr.Dollar Dep. fd	AS	1.005*
(d) French Franc Deposit fd	FF	10.03*
(d) N. American	$	1.44*
(d) Japan	Y	420.00
(d) Pacific Basin	Y	300.00*
(d) International growth	£	2.87*
(d) British	£	2.13*
(d) Sterling Gilt	£	1.08*
(d) International Bond	$	1.20*
(d) Yen Convertible bond	Y	2902.00
(d) European Fund	DM	5.04*
(d) E.C.U. Fund	ECU	8.96*
(d) Australasian fund	£	0.31*
(d) Canadian fund	Cons	0.86*
(d) Emerging Markets Fund	£	0.99*
(d) Global Resources Fund	$	8.74*
GEFINOR FUNDS		
London:01-4994171, Geneva:41-22355530		
(w) East Investment Fund	$	1002.8000
(w) Scottish World Fund	£	191.5071
(w) State St. American	$	247.2300
GENERALE BANK		
(see also Interselex Group)		
(d) Rentinvest	$	27.82*
(d) Capital Rentinvest	$	117.03
(d) Rentinbel Distr.	LF	9,794.00*
(d) Rentinbel Cap.	LF	18,302.00
GLOBAL ASSET MANAGEMENT CORP.		
11 Athol St,Douglas,I. of Man.44-624-26037		
(w) Futurgam S.A.	$	158.27
(w) GAM Arbitrage Inc	$	228.74
(w) GAMerica Inc	$	215.36
(w) GAM Australia Inc.	$	135.74
(w) GAM Asean Inc	$	109.80*
(w) GAM Boston Inc	$	142.34
(w) GAM Ermitage	$	23.83
(w) GAM European Inc.	$	100.71
(w) GAM Franc-Val Inc.	SF	229.74
(w) GAM France Inc	FF	1271.58
(w) GAM Global Fund	$	112.00
(w) GAM High Yield Inc.	$	106.22
(w) GAM Hong Kong Inc.	$	203.88*
(w) GAM International Inc.	$	146.88
(w) GAM Japan Inc.	$	384.68
(w) GAM Money Mkts. Fund	$	102.13*
(w) GAM Money Mkts. Fund	£	102.67*
(w) GAM Money Mkts. Fund	SF	100.92*
(w) GAM Money Mkts. Fund	DM	101.67*
(w) GAM Money Mkts. Fund	Y	10,063.00*
(w) GAM Pacific Basin Fund	$	106.28
(w) GAM Pacific Inc	$	418.97
(w) GAM Restr. Fd. Inc.	$	156.48*
(w) GAM Singapore/Malay Inc	$	135.86
(w) GAM Swiss Fr Spec Bond Fd	SF	100.13
(w) GAM Value Inc.	$	101.28
(w) GAM Worldwide Inc	$	405.89
(w) GAM Tyche S.A. Class A	$	167.49
(w) GAM U.S. Inc.	$	129.43
(w) GAM Whitethorn Fund Inc.	$	120.96
(w) GAM ut Inc.	$	209.85
(w) GSAM Composite Inc.	$	198.32*
(w) GSAM Int. Inc.U.S Ord.	$	107.52*
(w) GSAM Int. Inc.U.S Spe.	$	123.45*
(w) GSAM Interest Inc.	SF	103.15*
(w) GSAM Interest Inc.	£	101.91*
(w) GSAM Interest Inc.	DM	96.86*
(w) GSAM Interest Inc.	Y	11,882.00*
G.T. MANAGEMENT PLC		
(r) G.T. Applied Science	$	13.62
(d) G.T. ASEAN Fund	$	32.57
(d) G.T. Asia Fund	$	12.00*
(d) G.T. Australia Fund	$	28.40*
(d) G.T. Berry Japan Fund	$	33.48*
(w) G.T.Biotechn/Health Fund	$	7.78
(d) G.T. Bond Fund	$	15.90*
(d) G.T. Britain Fund	£	9.32
(d) G.T. Deutschland Fund	$	9.86
(d) G.T. Dollar Fund	$	17.31*
(d) G.T. Europe Fund	$	27.05
(w) G.T. Euro. Small Cos. Fund	$	25.83
(w) G.T.Global Small Cos.Fund	$	11.88
(w) G.T.Global Technology Fd.	$	17.31*
(d) G.T. Hong Kong Fund	$	26.70*
(d) G.T. Honshu Pathfinder	$	9.32
(d) G.T. Investment Fund	$	10.32
(w) G.T. Japan Sml Co.Fd	$	11.10*
(w) G.T. Nat Res. Fd Gold Class	$	7.72
(d) G.T. Newly Ind. Countr. Fd	$	25.57
(d) G.T. Select Dollar Bd Pfl	$	9.18
(d) G.T. Select Int Bd Pfl.	£	9.14*
(d) G.T. Select Gilt Pfl.	£	9.29*
(r) G.T. Technology Fund	$	32.00
(d) G.T. U.K. Small Companies	£	11.25
(d) G.T. Univ.Growth Fund	$	10.28
(w) G.T. U.S. Small Companies	$	11.05
HILL SAMUEL INVEST. MGMT. INTL. S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
(d) Crossbow (Far East)	SF	17.09
(d) CSF (Balanced)	SF	34.87
(d) European Equity Fund	DM	15.88
(d) Intnl. Bond Fund	$	12.71
(d) Int. Currency U.S.Manag'd	$	25.31
(d) ITF Fd (Technology)	$	19.48
(d) O'Seas Fd (N. AMERICA)	$	32.58
(d) Int. Currency U.S.	$	32.31
IAM, 2 Bd. Royal LUXEMBOURG		
(d) Iam Flagship Fund	ECU	94.32
(w) Iam Bonds Fund-France	FF	538.05
(w) Iam Bonds Fund-Deutsch	DM	210.07
(w) Iam Bonds Fund-Japan	Y	10,975.00
(w) Iam Bonds Fund-Switz.	FS	205.97
(w) Iam Bonds Fund-U.S.A	$	107.08
(w) Iam Bonds Fund-Europe	ECU	110.49
(w) Iam Bonds Fund-Nether.	FL	210.86

INTERSELEX GROUP		
(d) Int.America Fund	$	14.35*
(d) Int.Belgo Fund	LF	3032.00
(d) Int.Europa Sicav	LF	5984.00
(d) Int.Pacific Fund	$	1362.39*
(d) Int.World Fund	$	93.28*
ISLAMIC MGMT FUND LTD	$	1031.13
Veryfinance Limited (0481-26641)		
PB122 St. Peter Port, Guernsey.		
JARDINE FLEMING, GPO Box 11448 Hg Kg		
(d) J.F Japan Trust	Y	13,592.
(d) J.F Pacific Sec. Trust	$	28.21
(d) J.F Pacific Income Trust	$	88.97
(d) J.F Hong Kong Trust	$	49.88
(d) J.F European	$	9.55
(d) J.F International	$	13.07
(d) J.F Glb Convertibles Trust	$	10.85
LLOYDS BANK PLC, POB 438, Geneva 11		
Mrs. C. Bertolatti,(22) 208611/ext. 2222.		
+(w)Lloyds Int'l Dollar	$	106.50
+(w)Lloyds Int'l Europe	SF	167.30
+(w)Lloyds Int'l Growth	SF	218.70
+(w)Lloyds Int'l Income	SF	278.00
+(w)Lloyds Int'l N. America	$	138.60
+(w)Lloyds Int'l Pacific	SF	247.30
+(w)Lloyds Int'l. Smaller Cos	$	16.36
MAGNUM FUTURES FUND LTD.		
(m) Sterling Class	£	4.94
(m) U.S Dollar Class	$	9.82
MERRILL LYNCH		
(d) Dollar Assets Portfolio	$	1.00
(d) First Convertible Sec. Fd	$	11.34
(d) Iberia portfolio	$	10.05
(d) Multi-Curr. Bond Portfolio	$	13.10
(d) U.S.A Income Portfolio	$	8.81
(d) US Federal Securities	$	9.28
(d) World Nat Res Pfl. Share A	$	10.42
(d) World Nat Res Pfl. Share B	$	10.32
MIM BRITANNIA,POB 271, St. Helier, Jersey		
(d) Int.High Income	$	2.544
(d) Dollar Man.Curr	$	14.64
(d) Dollar Man. Port	$	2.083
(d) Sterling Man.Port	£	1.672
(d) Pioneer Markets	$	2.571
(d) U.K. Growth	£	1.047
(d) Amer. Inc. & Growth	$	1.326
(d) Gold & Prec. Metals	$	1.833
(d) Sterling Man. Curr.	£	17.53
(d) Japan Dollar Perf. Fd	$	4.328
(d) Jersey Gilt	£	8.1939*
(d) Okasan Global Strat	$	16.30*
(d) Asia Super Growth Fund	$	11.25
NIMARBEN		
(w) Class A	$	120.32
NMB BANK,PO 1800,1000 BV Amsterdam.		
(w) The Brazil Fund	$	1.90
(w) NMB Dutch Fund	FL	35.00
OBLIFLEX LIMITED		
(w) Multicurrency	$	19.55
(w) Dollar Medium Term	$	14.80
(w) Dollar Long Term	$	13.83
(w) Japanese Yen	$	27.60
(w) Poud Sterling	£	14.84
(w) Deutsche Mark	DM	12.50
(w) Dutch Florin	FL	12.48
(w) Dutch Florin Multi.	FL	10.06
(w) Swiss Franc	SF	10.73
(w) Swiss Multicurrency	SF	11.48
(w) European Currency	ECU	13.52
(w) Convertibles	$	10.31
(w) Swiss Multi-dividend	SF	9.89
PARIBAS-GROUP		
(d) Belux Fund	LF	10,642.00
(d) Cortexa International	$	115.61
(d) Ecupar	ECU	1,338.33
(d) Far East Growth Fund	$	156.49
(d) Luxor	$	8.72
(d) Parail-Fund	$	
(d) Parsurope Growth	$	19.52
(d) Parinter Fund	$	214.23
(d) Par US Treas. Bond 'CL B'	$	140.77
(d) Europhenix	FF	1,276.13
(d) Parinter Bond Fund	$	13.29
(d) Paribas-Rente	LF	1,355.00
(d) Obli-Franc	FF	1,771.38
(d) Obli-dm	DM	1,286.48
(d) Obligestion	SF	91.25
(d) Obli-Dollar	$	1,191.89
(d) Obli-Yen	Y	107,283.00
(d) Obli-Gulden	FL	1,034.08
(w) Parsuisse	SF	1,356.50
(w) Parjapon	Y	3,347.00
PERMAL GROUP		
(m) Drakkar Growth	$	1762.27
(m) Nascal Ltd	$	1116.39
(m) Select Equities Ltd	$	915.13
(m) Special Opportunities Ltd	$	1685.40
(m) Value N.V.	$	1956.46
PIERSON,HELDRING & PIERSON N.V.		
POB 243,1000 AE Amsterdam (20-211188)		
(w) Asia Pac. Growth Fd N.V.	$	40.58
(w) DP Amer. Growth Fd N.V.	$	22.74
(w) DP Energy Resources	$	35.85
(w) Europe Growth Fund N.V.	FL	51.93
(w) Japan Diversified Fund	$	58.84
(w) Leveraged Cap Hold	$	289.52
(w) Tokyo Pac. Hold. N.V.	$	252.22
PUTNAM		
(d) Emerging Hlth Sc. Trust	$	13.96
(w) Putnam Em. Info. Sc. Tr	$	12.39
(d) Putnam Int'l Fund	$	10.31
ROBECO GROUP		
POB 973, Rotterdam (10-4650711)		
(d) Robeco	FL	103.30
(d) Rolinco	FL	99.70
(d) Rorento	FL	61.38
(d) Rodamco	FL	161.80
ROTHSCHILD AST.MGT.		
(w) Tokyo Pac. Hold. (Sea)	$	192.58
ROYAL B. CANADA,POB 246,GUERNSEY		
+(w)RBC British Fund Ltd.	£	5.57*
+(w)RBC Canadian Fund Ltd	C$	14.04*
+(w)RBC European Fund	£	11.30
+(w)RBC Far East&Pacific Fd.	$	35.08
+(w)RBC Int'l Capital Fd	$	49.96
+(w)RBC Int'l Bond Fund Ltd.	$	12.04
+(d)RBC Mon.Currency Fd	$	38.09
+(w)RBC North Amer. Fd	$	14.18
ROYAL TRUST ASSETMIX FUND		
Lux.Tel.:(352)489061		
EQUITY FUNDS		
(d)Alpha UK	£	1.14
(d)Alpha US$	$	1.12
(d)Alpha Worldwide	SF	5.16
(d)Alpha Japanese	Y	1022.00
(d)Alpha Pacific Rim	$	1.03
(d)Alpha European	ECU	1.03
(d)Gold Share	$	1.03
BOND FUNDS		
(d)Sterling Pound	£	102.23
(d)US$ Bond	US$	97.86
(d)Deutschmark Bond	DM	49.87
(d)Alpha Worldwide	SF	48.49
RESERVE FUNDS		
(d)Sterling Reserve	£	10.39
(d)US$ Reserve	$	10.20
(d)Deutschmark Reserve	DM	10.11
SHEARSON LEHMAN HUTTON		
(d) Oporto Growth Fund	$	9.500
(d) Offshore Multiple Opps.	$	10.61
OFFSHORE PORTFOLIOS (OP)		
(d) OP Global balanced	$	10.77
(d) OP Precious Metals	$	9.95
(d) OP Global Bond	$	10.25
(d) OP US Share	$	10.68
(d) OP Global Equity	$	11.21
(d) OP Pacific Equity	$	10.63
(d) OP Euro Equity	$	10.85
(d) OP US Govt Securities	$	10.36
(d) OP Global Money Market	$	9.71
(d) OP US Money Market	$	10.08
INTERNATIONAL PORTOFOLIOS (IP)		
(d) IP Global Balanced	$	10.84
(d) IP Precious Metals	$	9.70
(d) IP Global Bond	$	10.21
(d) IP US Share	$	10.99
(d) IP Global Equity	$	11.28
(d) IP Pacific Equity	$	10.82
(d) IP Euro Equity	$	10.85
(d) IP US Govt-securities	$	10.39
OFFSHORE SHORT-TERM INVEST. (OSI)		
(d) OSI Deutsche Mark	$	8.94
(d) OSI Japanese Yen	$	9.40
(d) OSI Pound Sterling	$	9.23
(d) OSI US Dollar	$	1.00
(d) OSI Managed Currency	$	9.94
(d) OSI Canadian Dollar	$	10.39
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
(w)Equity Intl Acc	$	10.84
(w)Equity Intl Inc	$	10.14
(d)Equity Global	$	0.98
(w)Equity Far East	$	1.72
(d)Equity Gold	$	0.90
(w)Equity Japan	Y	113.00
(d)Equity Nordic	$	1.05
(d)Equity U.K.	£	1.05
(d)Equity Continental Europe	$	0.99
(d)Equity Mediterranean	$	0.97
(d)Equity North America	$	1.00
(w)Bond Intl Acc	$	7.75
(w)Bond Intl Inc	$	6.47
(w)High Income Acc	$	1.01
(w)High Income Inc	$	0.97
(d)DEM	DM	0.95
(w)Multicurrency	$	1.0720
(d)FRF	FF	1.00
SOCIETE GENERALE GROUP		
(w) Sogelux Fund		
(w) Sogelux Bonds A	$	10.98
(w) Sogelux Bonds B	DM	21.32
(w) Sogelux Bonds C	FF	82.69
(w) Sogelux Bonds D	SF	20.00
(w) Sogelux Bonds E	£	7.93
(w) Sogelux Bonds F	Y	1618.00
(w) Sogelux Bonds G	ECU	11.19
(w) Sogelux Bonds H	$	11.27
(w) Sogelux Bonds J	BF	536.00
(w) Sogelux Equities K	$	10.42
(w) Sogelux Equities L	ECU	10.78
(w) Sogelux Equities M	YEN	1508.00
(w) Sogelux Equities P	$	10.47
(w) Sogelux Equities O	$	9.81
(w) Sogelux Equities R	$	10.74
(w) Sogelux Short Term S	FF	107.44
(w) Sogelux Short Term T	ECU	10.50
SODITIC ASSET MANAGEMENT INC.		
(w) SAM Diversified Inc.	$	

SVENSKA HANDELSBANKEN S.A.		
146 bd de la Petrusse,L-2330 Luxembourg		
(b) SHB Bond Fund	$	42.75
(w) Svenska Select.Fd Intl Sh.	$	49.17
(w) Svenska Select.Fd America Sh	$	10.22
(w) Svenska Select.Fd Asia Shares	$	9.81
SWISS BANK CORP. (ISSUE PRICES)		
(d) AmericaValor	SF	427.00*
(d) AngloValor	£	181.32*
(d) Asia Portfolio	SF	534.26
(d) Dollar Bond Selection	$	128.71*
(d) D-Mark Bond Selection	DM	116.39*
(d) Ecu Bond Selection	ECU	99.39*
(d) Florin Bond Selection	FL	118.37*
(d) FranceValor	FF	1623.02*
(d) GermaniaValor	DM	443.48*
(d) Gold Portfolio	SF	583.07
(d) ItalValor	LIt	446,344.00*
(d) Japan Portfolio	SF	397.25*
(d) SBC US$ MMF	$	5482.85
(d) SBC 100 Index Fund	SF	1841.00
(d) Sterling Bond Selection	£	104.78*
(d) Swiss Foreign Bond Selec	SF	106.23*
(d) Swissvalor	SF	363.25*
(d) Universal Bond Select.	SF	78.00*
(d) UniversalFund	SF	119.09*
(d) Yen Bond Selection	Y	11,619.00
THORNTON MANAGEMENT LTD.		
(d) Thornton Int opps.fund	$	1.97
(d) Pacific Invt. Fd. S.A.	$	9.12
(d) Pac.Invt. Warrants Fd.S.A.	£	9.51
(d) Thornton Kangaroo Fd Ltd.	$	9.53
(d) Thornton European Fund	$	6.25
(d) Thornton HK & China	$	13.52
(d) Thornton Japan Fund Ltd	$	26.53
(d) Thornton Orient.Inc. Fd Ltd	$	19.34
(w) Thornton Phil. Redev. Fd	$	22.48
(d) Thornton Tiger Fund Ltd	$	24.29
(d) Thor.Pacific Tech.Fd Ltd	$	11.93
(d) Thor.Lilt. Dragons Fd Ltd	$	15.23
(d) Thor.Golden Opport.Fd	$	4.77
(d) Eastern Crusader Fund	$	6.99
(w) The Global Access Fund	$	9.69
TYNDALL INT'L GUERNSEY LTD		
Tel.0481 27963		
(d) Amer Spec Sits	$	39.22
(d) Eurobond	$	27.84
(d) Mortgage	C$	12.57
(d) Overseas	$	25.38
(d) Tiger	$	36.07
(d) High Yield Bond	$	73.08*
(d) Marunouchi	$	69.70
(d) Far Eastern	$	520.80
(d) Gilt	£	494.30
(d) Mad Currency-Dollar	$	1.397
(d) Mad Currency-Stlg	£	107.600
(d) 1992	£	229.800
(d) Wall Street	£	211.900
(d) HI Inc Gilt & Bulldog	£	107.500
UEBERSEEBANK, ZURICH		
(d) B-FUND	SF	973.38
(d) M-FUND	SF	1035.05
(d) M-Distribution	SF	98.82
(d) UBZ Euro-Income Fund	SF	10.06
UNION BANK OF SWITZERLAND		
(d) Bond-Invest	SF	61.75*
(d) ESPAC Spanish sh	SF	194.50*
(d) Eurit	SF	301.00
(d) Fonsa Swiss Sh.	SF	190.00
(d) Sima (stock price)	SF	244.50*
(d) UBS Money Mkt Inv.	$	5121.10
UNION INVESTMENT Frankfurt		
(d) Unirenta	DM	38.60
(d) Unifonds	DM	28.60
(d) Unirak	DM	76.09
(d) Unizins	DM	111.70
THE UNIVERSAL GROUP OF FUNDS		
(m) Canada Gtd-Mortgage Fd.	C$	12.20
(d) Univers Sav Amer	C$	9.68
(d) Univers Sav Equity	C$	12.32
(d) Univers Sav Global	C$	5.39
(d) Univers Sav Pacific	C$	9.84
(d) Univers Sav Nat. Res	C$	6.35
Other Funds		
(r) Acticroissance	$	79.87
(r) Actifinance Intl	$	893.84
(w) Actigestion	FF	1103.77
(w) Activest Intl	$	20.49
(d) Amvabel	FL	98.40
(w) Aquila International Fund	$	243.43
(b) Ariane	$	3,445.66
(d) Atlas Fund	SF	113.73
(r) Australia Fund	$	15.06
(d) Bahamas Saperfund	$	876.00
(b) Bleo Monad Bond Fund	$	175.85
(w) Berg Norden Sicav	$	135.63
(d) Berg Trust Sicav	$	109.20
(w) Bergen Int'l Fund.	$	10.81
(d) Bever Beleggingen++	$	25.50
(m) Bonar Currency & Int.	$	86.90
(w) Bondselex-Issue Pr.	SF	117.30
(w) Capital Man.Inv.Fund	$	1056.80
(d) Cash Gestion	FF	9680.61
(d) CB German Index Fund	DM	101.30
(m) Cleveland Offshore Fd.	$	36.00
(w) Columbia Securities	FL	97.78
(w) Convert. Fd. Int'l A Certs	$	18.73
(w) Convert. Fd. Int'l B Certs	$	59.33
(w) Cumber Intl N.V.	$	219.93
(w) Daiwa Japan Fund	Y	9603.00
(w) D.G.C.	$	159.75
(w) DIVERSIF. BOND FUND	$	99.89
(d) D-mark-Baer Bond Fd	DM	1056.00*
(d) Dollar-Baer Bond Fd	$	1105.00*
(d) D. Witter Wld Wide Ivt Tst.	$	22.50
(d) Dreyfus America Fund	$	14.92
(d) Dreyfus Fund Int'l.	$	54.25
(w) Dreyfus Intercontinent	$	54.50
(w) Esprit Sicav	ECU	1071.51
(w) Espirito Sto Inv M Sth Eur Fd.	$	10.01
(d) Europe Obligations	ECU	73.28
(w) Fairfield Int'l Ltd.	$	125.00
(w) First Eagle Fund	$	29,965.10
(w) F.I.T. Fund ff	FF	103.82
(d) Fonditalia	$	69.09
(w) Fonselex Issue Pr.	SF	189.85
(d) Forexfund Limited	$	8.77
(w) Formula Selection Fd.	SF	65.73
(d) Frankl-Trust Effekten Fd	DM	139.56
(d) Frankl-Trust Interzins	DM	41.36
(w) George V INV. BOND F.	$	17.78
(m) German Sel. Associates	DM	N/C
(d) Green Line France	FF	607.79
(w) Haussmann Hldgs. N.V.	$	246.53
(w) Health 2000 Ltd	$	9.44
(w) Hestia Funds	$	132.53
(w) Horizon Fund	$	1811.26
(w) Ibex Holdings Ltd.	SF	160.11
(w) IFDC Japan Fund	$	362.80
(r) ILA-IGB	$	6.51
(r) ILA-IGS	$	9.97
(m) IncAmerica N.V.	$	13.71
(m) IncAsia N.V.	$	10.84
(w) Interecu Fund	ECU	1165.43
(w) Interface Fund Ltd.	$	139.06
(d) Interfund SA	$	35.35
(w) Intermarket Fund	$	375.59
(r) Int'l Securities Fund	$	25.50
(w) Intersec SA	$	3311.14
(d) Investa DWS	DM	59.39
(r) Invest Atlantiques	$	14.80
(r) Italfortune Int'l Fund SA	$	39.76
(m) Japan Selection Asses.	Y	10,020.00
(w) Japan Selection Fund	$	210.78
(w) Japan Pacific Fund	$	321.23
(w) Kleinwort Bens. Jap. Fd.	$	251.63
(d) KML-II High Yield 07/02/88	$	970.92
(w) Korea Growth Trust	$	41.89*
(w) LACO International	$	6.85
(d) Llaulbaer	$	1688.00
(m) London Portfolio G'td. I.	$	92.99
(w) Luxfund	$	97.16
(m) Lynx Sel.Holdings	SF	120.74
(m) Maro Ltd.	$	48.74
(d) Mediolanum Sel Fd.	$	35.44
(d) NCA FUND	$	10.77
(w) Nippon Fund	$	109.00
(m) NMT Asian Sel. Portfolio	$	16.24
(w) NMT Citadel Bond Pfl.	SF	106.03
(m) NMT Nozfec Portfolio s/s	$	95.32
(d) NM Inc. & Growth Fund	$	15.36
(d) Nomura-Cap Int Eq Fd	$	12.61
(d) Nordmix	LIt	10608.00
(m) NSP F.I.T.	$	248.30
(m) Oppenheimer U.S.Arb.	$	125.22
(m) Overlook Perfor.	$	1101.85
(d) Pacific Nies Fund	$	9.93
(d) PAM Futures Trad.	$	1002.95
(w) Pancurri Inc.	$	107.14
(w) Prosp. I.H.Inc.P.F.02/24/88	$	7.67
(w) Protected Perfor. Fund	$	0.72
(w) Quantum Fund N.V.	$	12658.43
(w) Rep.(Guernsey) Dol.Inc.fd	$	9.50
(w) Samurai Portfolio	SF	311.10
(d) Sanyo Kle.Spain Fd	$	9.93
(d) Sarakreek Holding n.v.+++	$	34.50
(d) SCI/Tech. SA Luxembourg	$	18.24
(w) Spectrafund Ltd.	$	16.51x
(w) SP International S.A.	$	4325.30
(d) Strat Int'l Gold Fund S.A	$	6.70
(w) Sussex Silverman	$	827.00
(w) Techno Growth Fund	SF	66.76
(d) Templeton Glob Inc.	$	10.13*
(w) The Petrus Fund Ltd.	$	1.00
(m) THIC(O.T.C)Jap.fd Sicav	$	9.73
(w) Transco Gold Mine Inv.	$	3.08
(w) Transpacific Fund	$	265.98
(w) Trans Europe Fund	FL	69.27
(w) Tudor B.VI Futures.LTD	$	3554.68
(d) Turquoise Fund	$	198.15
(w) Tweedy,Browne n.v.Cl.A	$	3416.13
(w) Tweedy,Browne n.v.Cl.B	$	1870.76
(m) Tweedy,Browne (U.K.) n.v.	$	1367.72
(d) Unico Inv.Fund	DM	72.83
(d) Unico Equity.Fund	DM	57.42
(d) Uni Bond Fund	$	1694.25
(r) Uni Capital Fund	$	1638.53
(d) Univers Bonds	DM	127.86
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(w) Vanderbilt Assets	$	16.74
(d) Vesper Flux	BF	8516.00
(d) Victoria Fund	$	15975.00p
(w) Willerbond Capital	$	13.56
(d) World Fund S.A.	$	22.13
(d) World Balanced Fund S.A.	$	10.98
(m) Zweig Int'l Ltd	$	80,677.00

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Union's Swift Reply Shows New Sophistication

By Henry Weinstein
Los Angeles Times Service

LOS ANGELES — When Frank Lorenzo took Continental Airlines, Inc. into bankruptcy and abrogated his union contracts six years ago, he caught labor totally by surprise.

That was not the case on Thursday.

As soon as Mr. Lorenzo, Texas Air Corp.'s chairman, announced he was filing for Chapter 11 bankruptcy protection for Eastern Airlines, the striking International Association of Machinists countered swiftly.

First, the union announced that it would extend its strike against Eastern to Continental, the other major subsidiary of Mr. Lorenzo's Texas Air.

This was done on the basis of what the machinists' union said was clear evidence that Continental workers were performing "struck work" of Eastern employees.

Then, John Peterpaul, the machinists' vice president, disclosed that the union already has prepared reorganization plans for Eastern that will be filed in federal bankruptcy court in New York early next week.

The machinists' rapid response is a strong sign of a changed, more sophisticated labor movement, said Harley Shaiken, professor of labor and technology at the University of California, San Diego.

"They're widening the terrain of the conflict," Mr. Shaiken said. "If this were a normal collective bargaining situation, Lorenzo would be back at the table negotiating.'

But that is not happening.

"What's at stake for Lorenzo is more than a specific series of contract demands but rather a style of management that leaves little room for unions," Mr. Shaiken said.

"Simply to accept an economic settlement would fly in the face of what he's done at Eastern," he said, referring to Mr. Lorenzo's sale of some of the company's most valuable assets to Continental.

Indeed, the unions that have succeeded in the traditional strike goal of shutting down Eastern now will be tested on whether they can succeed in less familiar waters — bankruptcy court and wherever else they may choose to tangle.

Audrey Freedman, a labor economist with the Conference Board in New York, said the unions still face an uphill battle.

Bob Pearson/Agence France-Presse

Striking Eastern Airlines pilots in Miami. The pilots joined with Eastern's machinists' union in waging an increasingly sophisticated fight against pay cuts sought by Texas Air, Eastern's parent.

"I guess they're prepared, but I'm not sure it's going to have any effect. They can't preserve jobs this way or the wage structure or preserve the company," Ms. Freedman said.

"What they've done is speed up the dismantling of the company," she added. Union strategists are betting that she is wrong and that they can play a key role in bringing Eastern back to life.

"We meticulously prepared for this eventuality on this carrier," said William Winpisinger, president of the machinists.

Indeed, Brian M. Freeman, a Washington-based lawyer and financial strategist, has prepared on behalf of the machinists a corporate reorganization plan for Eastern that will be unveiled next week. Mr. Freeman has been consulting with Ferrell Kupersmith, a Miami-based financial analyst who's been advising the Airline Pilots Association at Eastern.

Sources at the machinists' union said it was likely that the union would press the bankruptcy judge to appoint a trustee who would tightly limit what Mr. Lorenzo could do while the bankruptcy process was moving forward.

Nonetheless, one source close to the machinists acknowledged: "The real advantage of bankruptcy for Lorenzo is it allows him to preserve his cash. All his debt is frozen. This means he can devote all his cash to operations and fighting the strike, as opposed to paying creditors, of which he has many."

But the unions do have a better hand in the bankruptcy court now than they did in 1983 with Continental, said Stephen P. Feldman, a Los Angeles attorney specializing in bankruptcy. As a result of changes in federal bankruptcy laws, in order to annul his union contracts, Mr. Lorenzo now has to pass a three-step test.

He must demonstrate that he has bargained in good faith, that the employees have refused to accept company proposals with good cause and that the overall situation clearly favors eliminating existing collective-bargaining agreements.

"This is a very heavy burden," Mr. Feldman said.

On the other hand, he said it would be much more difficult for the machinists to achieve their goal of having Continental and Texas Air brought into the bankruptcy. The machinists' and the pilots' assertion that the companies are really a single entity is difficult to prove legally, Mr. Feldman said.

In addition to the two tactics announced Thursday, the unions will also continue picketing Eastern, holding candlelight vigils at airports, pressing Congress to create a presidential emergency board and attempting to get a "white knight," such as Carl C. Icahn, chairman of Trans World Airlines, to purchase the company out of bankruptcy.

Mr. Lorenzo's vanquishing of Continental's unions in 1983 'taught the entire labor movement a lesson.'
William Winpisinger, president, International Association of Machinists

EASTERN: *Airline Puts Future in Court's Hands, Hoping to Fly Again*

(Continued from first finance page)

suppliers and ticket holders and other airlines that have honored Eastern tickets, who may be owed as much as $250 million.

• Preferred stockholders, who stand to lose more than $1 billion.

Sitting most comfortably will be Eastern's secured creditors, the bondholders and banks which have loaned money secured by particular assets, such as planes or spare parts of even accounts receivable. No matter what happens, this group will almost surely get its money back, though often not as soon as it would like.

Perhaps the most aggressive creditors Mr. Lorenzo faces will be Eastern's unionized employees, who are owed millions of dollars in back pay; $200 million in preferred stock; and as much as $750 million in future pension payments.

Among the biggest unsecured creditors are Bank of New York, which according to the Chapter 11 filing is owed $149.97 million; Airbus Industrie, the European plane maker, $95.94 million; General Electric Co. of the United States, $75.47 million; Boeing Co., $53.98 million; and UT Credit Corp., $22.30 million.

In addition, Eastern said $200 million worth of tickets was in the hands of passengers and other airlines when it filed for protection, a step that instantly turned all of Eastern's ticketholders into creditors. Harvey Miller, a lawyer representing the airline in the bankruptcy case, said Eastern would seek court permission to issue refunds, but only after service resumed.

The stated aim of the unionized employees is to force the sale of Eastern to friendlier management. The unions hope to use their place in the bankruptcy court to get what they have been unable to get in three years of confrontation with Mr. Lorenzo — control of the airline.

Mr. Lorenzo, in turn, will try to get the upper hand in the labor struggle, much as he did in the Continental case.

Under federal law, Eastern can ask the bankruptcy judge to approve an abrogation of its union contracts, permitting the airline to reduce wages and benefits for its employees. In that case, Eastern would hope that the judge would accept its claim that wage concessions are necessary to preserve the long-term health of the airline, claims long rejected by the unions.

Eastern's employees do not have to accept the terms of a contract the judge might impose. Nor does the judge have the power to force them back to work. Still, lawyers said Thursday that the bankruptcy mechanism gives Mr. Lorenzo added time and leverage to wrestle with a labor dispute he could not resolve on his own.

The bankruptcy filing also may give Mr. Lorenzo a freer hand than he has had in the past to dismember Eastern by selling off its most valuable assets, which his critics have claimed has been his strategy all along.

Until now, each such sale has been challenged by the unions in a succession of lawsuits that have kept the company in court and kept potential buyers at bay. But if Mr. Lorenzo can convince other creditors and the judge that selling off assets is the best way to keep the airline in operation and pay off debts, those legal and marketing problems will very quickly disappear.

"I can't think of a better way to dismember an airline than through the bankrupcy court," said Charles Docter, a Washington bankruptcy attorney.

The greatest risk for Mr. Lorenzo is that a bankruptcy judge will strip him of control of Eastern.

There is also the risk that the unions, joined by other creditors, will try to persuade a bankruptcy judge to unravel some of the asset sales Mr. Lorenzo has already completed at Eastern. Chief among them was the April 1987 sale of its computerized reservation system to Eastern's parent company, Texas Air, for $100 million.

The unions contend that the computer sale was a sweetheart deal designed to enrich Texas Air at the expense of Eastern. But whether a bankruptcy judge will be able to reverse a nearly two-year-old sale will depend on whether the union and creditors can prove both the the price so low, and the financial condition of Eastern so precarious, that the transaction was fraudulent.

Friday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

INTERNATIONAL CLASSIFIED

(Continued from Back Page)

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CURRENCY MARKETS

High-Volume Speculator in Tokyo Market Rivals Big Institutional Currency Traders

Reuters

TOKYO — Despite his grandfatherly appearance, Shigeru Kita is the mastermind behind one of the biggest speculators in the Tokyo currency market.

Mr. Kita, 64, president of Hanwa Co., a midsize steel trading concern, is famous among currency traders for taking billion-dollar positions and moving the exchange rates in a way only large institutional investors can rival.

"In one day we can move as much as $1 billion or at most $2 billion," Mr. Kita said. "From my five years dealing, I've learned you must move big amounts if you want to make money."

"Kita has an uncanny ability to tell when the dollar has peaked or bottomed out," said a senior trader at a major Japanese bank. "Outside of Japanese institutional investors, Hanwa is the biggest player in the Tokyo market."

Hanwa is also one of the few Japanese corporations that speculates in currencies in Tokyo, dealers said.

During an active month, Hanwa's total foreign-exchange turnover can soar as high as $7 billion, said Mr. Kita. Only 10 percent of that is tied to the company's commercial needs.

The company, whose mainstay is trading steel products, was founded by Mr. Kita and his brother 42 years ago.

Mr. Kita began currency trading several years ago when an employee asked for help in avoiding a foreign-exchange loss.

"I came in as the pinch hitter and helped him turn the potential loss around to a great profit," Mr. Kita said.

Recently, with a stable dollar and firm U.S. interest rates, Hanwa has been known to buy large lots of U.S. currency in the forward market, which it holds to chalk up gains on wide yield differentials between the United States and Japan, dealers said.

"Long positions are the easiest to hold," Mr. Kita said, "Because of the interest rate differentials. You've got to have guts to take a dollar short position."

Unlike banks, whose overnight dollar-yen currency limits are set by the Bank of Japan, Hanwa, a trading house, has the freedom to hold big positions for days, weeks or months.

"Banks buy or sell at most $20 million in one shot," said a top dealer at a Japanese bank. "Hanwa does $50 million."

On occasion, Hanwa has changed market sentiment by trading big dollar amounts when liquidity is low in the morning before the Tokyo market officially opens, dealers said. Early last week, when dollar sentiment was somewhat weak and it appeared that the currency would soften, Hanwa bought $1 billion to $1.5 billion between 126.80 yen and 127.05 yen.

This large-scale buying before the Tokyo opening triggered short covering by players holding short positions made between 127.00 yen and 127.20 yen, dealers said.

"Most banks don't want to move against Hanwa because Hanwa moves very large amounts," said a senior trader in Tokyo.

Hanwa will also sell large lots of dollars short to one or more banks before the Tokyo opening and then, after the dollar falls due to the thinness of the market, will buy the dollars back at a profit from other banks, dealers said.

Traders noted that Hanwa's impact on the Tokyo market was totally eclipsed on days when market sentiment was strong and there was plenty of news.

Reuters

Shigeru Kita is known for his big speculative trades on the Tokyo currency market.

DOLLAR: Up on Jobs Data

(Continued from first finance page)

relatively high interest rates, until the British budget is unveiled Tuesday.

William Arnold with Chemical Bank said he expected the chancellor of the Exchequer, Nigel Lawson, to present a cautious budget for the 1989-90 financial year.

The yen, which had firmed in the past couple of days relative to the dollar and other currencies, gave back some of its gains Friday. "It's moving along in sync now with other currencies," Mr. Pusateri at Bank of Boston said.

The U.S. Treasury's benchmark 30-year bond skidded more than ⅝ point in the morning, or about $6.50 per $1,000 in face amount, as fears of higher interest rates hurt bond prices. But the bond ended at 98 2/32, unchanged from Thursday.

The bond's yield, which moves inversely to its price, jumped to 9.13 percent from 9.06 percent late Thursday before settling back at 9.06 percent.

"There's really no sign here that the economy is decelerating and I think the bond market is discouraged by that," said Peter Greenbaum, an economist at Smith Barney, Harris Upham & Co., of the early decline.

Economists said it was unlikely the Fed would act in the immediate future to further push up interest rates, in part because the central bank would like to assess the impact of its more recent tightening in policy. But Friday's report make it even less likely the Fed will loosen credit.

'Overall, it will keep policy in the direction of further tightening," said Henry Engler, an economist at Chemical Bank. "I don't see any reason for the Fed to back off from its restrictive stance."

Fed officials are likely to scrutinize, in particular, next Friday's release of U.S. producer prices

In London, the dollar closed firmer in quiet business. The currency ended at 1.8625 DM after Thursday's closing 1.8595, and at 129.50 yen compared with Thursday's final 129.05.

Dealers in London said they expected the dollar to start next week in a subdued fashion

(Reuters, AP)

London Dollar Rates

Closing	Fri.	Thu.
Deutsche mark	1.8625	1.8595
Pound sterling	1.7155	1.7175
Japanese yen	129.50	129.05
Swiss franc	1.5920	1.5900
French franc	6.3200	6.3175

Source: Reuters

BRADY: U.S. Offers Debt Plan

(Continued from page 1)

veiled in October 1985, rejected the idea of broad-based efforts to forgive debt, focusing instead on increased lending to debtor nations.

Unlike the Baker plan, the new Bush proposals are designed to encourage commercial banks to reduce or forgive debt.

A Treasury Department official, who asked not to be identified, said that the administration believed that the new approach would provide a "quite substantial" reduction in both the debt burden and annual interest payments required of debtor countries.

However, the official refused to provide specifics about how much of the $400 billion in debt held by middle-income countries such as Brazil, Mexico and Venezuela would be reduced.

IMF and World Bank support would go to those countries that undertake debt-reduction programs that include IMF-approved structural reforms, officials said.

"To support and encourage debtor and commercial bank efforts to reduce debt and debt service burdens," Mr. Brady said in his speech, "the IMF and World Bank could provide funding, as part of their policy-based lending programs, for debt or debt service reduction purposes."

Reaction to the speech was generally favorable. In Tokyo, Tatsuo Muruyama, Japanese finance minister said: "We have been consulted closely by the U.S. financial authorities and the U.S. proposals reflected input from us based on the approach included in the Japanese proposal."

Japanese officials said that key elements of Japan's so-called Miyazawa plan had been incorporated into the U.S. proposal.

France, which along with Japan has been pushing hard for debt relief for Third World nations, also welcomed the U.S. proposals.

"It is a step in the right direction," said Pierre Bérégovoy, the French finance minister. "The Unites States accepts from now on that the debt reduction options play a major role in the treatment of middle-income countries' debt," Mr. Bérégovoy said. *(AP, Reuters)*

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World Stock Markets

Via Agence France Presse Closing prices in local currencies, March 10

Amsterdam, Brussels, Frankfurt, Helsinki, Hong Kong, Johannesburg, London, Madrid, Milan, Paris, Sao Paulo (March 9), Singapore, Stockholm, Sydney, Tokyo, Zurich (Close / Prev.): [illegible]

Toronto March 10

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
[illegible]					

Total sales 23,037,843 shares

	Close	Previous
TSE 300 Index:	3,471.30	3,438.00

Montreal March 10

Sales	Stock	High	Low	Close	Chg.
[illegible]					

Total Sales 5,619,435 shares.

	Close	Previous
Industrials Index:	1,581.29	1,588.58

Friday's NASDAQ Prices

Prices as of 4 p.m. New York time.

This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
A										
[illegible]										
B-C										
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D-E-F										
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SPORTS

Lure of Fame and Big Salaries Can Push Academics Behind

By Peter Alfano
New York Times Service

NEW YORK — In the early 1960s, a New York City teen-ager named Lew Alcindor was the most coveted high school basketball player in the nation — a spindly 7-footer expected to dominate the college and, eventually, the pro game.

SPORTS IN THE SCHOOLS
Last in a series

At the time, Joe Lapchick, the revered old coach of the Knicks and St. John's, was among those who predicted Alcindor's success.

Richard Lapchick, the director of the Institute for Sports in Society at Northeastern University in Boston, recently recalled a couple of pronouncements his father had made after watching the young Alcindor play.

"Dad said that Lew Alcindor would be the greatest player ever to play basketball," Lapchick said. "He said that someday Alcindor would make $50,000 a year."

Lapchick laughed at the recollection.

More than 25 years after first gaining the spotlight as a gangling high school center, the 41-year-old now known as Kareem Abdul-Jabbar is earning $3 million in his final season.

The minimum salary in the National Basketball Association is $100,000.

Barring a sports equivalent of a stock market crash, it is likely that today's high school basketball phenomenons will be averaging more than $50,000 per game when they turn professional in early 1990s.

And basketball players are not the only athletes sharing the pot of gold. Sports on all levels is a boom industry.

There is no need to look any further than that for the reason sports plays such an important role in American society, providing celebrity millionaires, hundreds of hours of television programming, even many of the expressions used in everyday speech.

Money is the carrot, not just for college athletes nearing adulthood, but for youngsters at the grade school and high school levels who dream of college scholarships, and perhaps a multimillion-dollar professional contract some day.

"In high schools, kids pursue the dream, not aware that the chance of becoming a lawyer or doctor is much greater than that of becoming a National Basketball Association player," Lapchick said.

"And we're cultivating the illusion that they will play in the NBA" or another of the major pro leagues, he said. "Turn on the TV and we see all these athletes making millions in the pros. But most college athletes are not even getting degrees in areas where they are employable. It's frightening, and money has a lot to do with it."

Money is the carrot for youngsters who dream of college scholarships, and perhaps a multimillion-dollar professional contract.

A study of high school athletics by Lapchick's Institute for Sports in Society revealed that of the 30 million children participating in youth sports in this country, only 198 will become professionals in any given year. It is like trying to win the lottery.

Despite the odds, youngsters and their parents still dream. It is interesting that during a time when many educators and President George Bush have expressed concern about our deteriorating educational system, the emphasis on sports is increasing.

Lapchick calls the pressurized emphasis on sports a deep and widespread problem.

Among the economically disadvantaged, parents may envision sports as a means for their children to avoid a life of poverty or mischief.

Middle class and affluent parents may tend to stress excellence in sports in much the same manner that they demand excellence in the classroom or in other extracurricular activities such as Boy Scouts.

And certain parents, in every income group, are susceptible to living vicariously through the athletic achievements of their children, who score the touchdowns they dreamed of scoring when they were young.

For coaches and administrators in high school and college, success with the teams they produce is a means of furthering a career and gaining recognition from the public and their peers.

"It's not whether you win or lose but how you play the game," used to be the golden rule of sports.

Winning at any cost has replaced it in many institutions, resulting in scandals at the college level. Student-athletes in major college sports programs are perceived as athletes first, students second, if at all.

Now it is feared that the trend toward more high-powered and more widely publicized high school sports will cause a proliferation of the same mistakes.

Some say that the critics are overreacting and that the growth of high school sports does not mean following in the footsteps of the colleges.

With some reservations, the National Federation of State High School Associations, the umbrella organization for 89 percent of the country's public, private and parochial schools, favors exploring the idea of a national championship tournament in any sport.

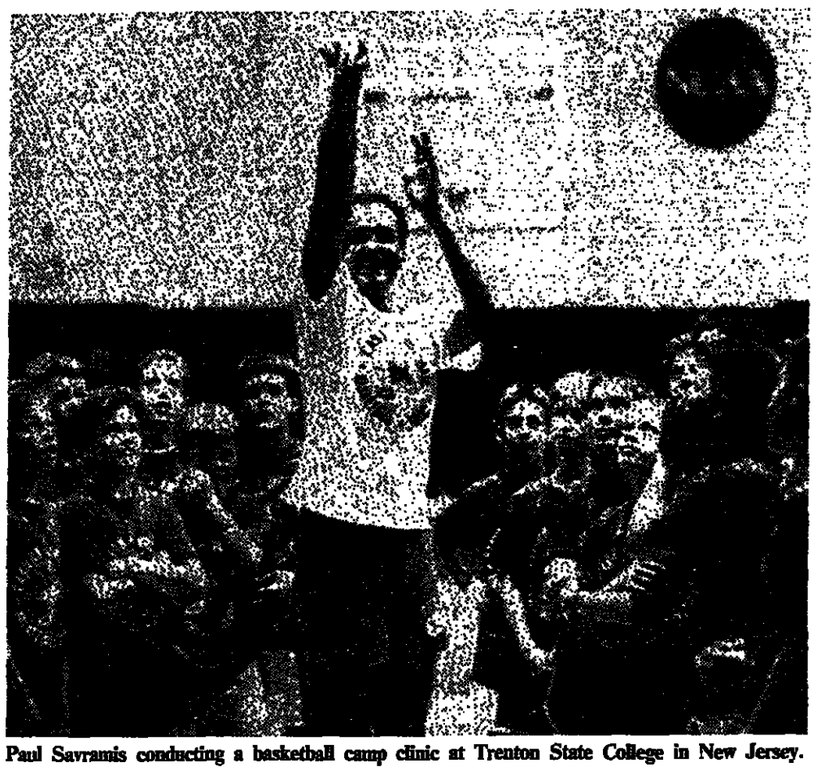
Warren Brown, the assistant executive director of the federation, said he did not think national tournaments would occur soon. And he disputed the theory that bigness would lead to abuses.

"I think comparing more than 20,000 high schools to colleges is an unfair parallel," Brown said. "There is no recruiting, and there is no way in the world that television would introduce the same dollars for high schools as for colleges."

Interviews with coaches, camp directors and benefactors and television executives paint a different picture.

"You can't mimic the colleges without mimicking the problems," said Paul Savramis, a former college physical education teacher who runs the successful Eastern Invitational Basketball Camp, one of the training grounds for youngsters.

The camp has an enrollment of 760, Savramis said, starting with fifth-graders. It is held in two sessions of one week each at Trenton State University in New Jersey; a week's session costs a participant $380.



Paul Savramis conducting a basketball camp clinic at Trenton State College in New Jersey.

Pros such as Larry Bird, Magic Johnson and Isiah Thomas have given clinics there (underwritten by the companies whose athletic shoes they endorse). The camp has also sponsored tours to Europe and the Soviet Union for its teams.

Savramis said he tried to keep the youngsters' athletic goals in perspective, but he conceded that camp is not just fun and games. Peer pressure exists, and parents can spoil the experience for their children.

"I always ask the parent, 'Who's applying, you or your son?' " Savramis said. "If it's the parent who's pushing, I recommend them to another camp."

"Sports should be just for enjoyment," he said. "But we've stripped the magic off the magic kingdom. Sports can never be unspoiled anymore. There is so much damage that can be done, harsh words, embarrassment, almost child abuse. The subtle pressure for the kid to succeed is always there."

Still, Savramis thinks the benefits outweigh the negatives. "You can still have realistic goals, to play sports for a lifetime but go to college, too," he said. "I'm a big believer in that."

Now youngsters are choosing between games and education at increasingly earlier ages.

Frank Mickens, a former basketball coach at Boys and Girls High School in Brooklyn who is now the school's principal, talked about how he had encouraged a promising 6-foot-8-inch (2.03-meter) sophomore to attend summer school last year to improve his grades.

"But he wanted to go to a summer basketball camp," Mickens said. "These kids are dreamers. We provide tutoring support here for our kids after school. We teach them test-taking techniques. But I don't know if they are making the effort."

Mickens cited peer pressure as playing a role in the problem. In urban areas, basketball is supreme. He said that basketball players at Boys and Girls are treated like stars. "Kids playing other sports here seem to be doing better in school than basketball players do," he said.

Other high school coaches and educators have similar trepidations about the increasing exposure given to school sports. But despite paying lip service to the potential dangers of overemphasis, few have rejected the advances being made by television and advertisers.

"Everyone likes to dance with a winner," said Bob Oliva, the basketball coach at Christ the King High School, champion of the New York City Catholic High Schools Athletic Association.

Ranked in the top five nationally, his team has made several television appearances. "People will say, 'My son wants to go to the No. 3 school in the country.' I think the exposure is great if a kid has his head on straight."

But how many high school athletes are capable of handling the increased recognition?

"That's why we are scared to death of it," Ray Nash, director of athletics for the CHSAA Diocese of Brooklyn, said about the trend toward more exposure for high school sports.

"Our society has blown sports all out of proportion but we can't run from it and bury our heads in the sand," Nash said. "Coaches, parents, principals, have to be involved. This is the challenge we face. I don't think we're going to sell out."

VANTAGE POINT/George Vecsey

Who Will Protect High School Athletes From Exploitation?

New York Times Service

NEW YORK — Where is Bruce Gehrke now that we really need him? For those who never had the pleasure, the late Bruce Gehrke was a legend at Mineola High School on Long Island, a winning coach and a zealot about protecting athletes from outsiders, namely me.

After reading about growing pressures in high school sports, I found myself wishing the big lug was running the National Federation of State High School Associations.

I'd like to hear what he would have to say about television offering big bucks for national tournaments all over the country.

Gehrke and I bumped heads more than a quarter of a century ago when I worked for a newspaper that rightfully believed in interviewing high school athletes.

A reporter never knew what he might find — maybe a young Jim Valvano, now the coach of North Carolina State, doing a song-and-dance as a freshman on his father's Seaford High basketball team. Maybe a laugh. Maybe a tear. Maybe a reflection of what it was like to score the winning goal.

At Mineola High, what you got was arms folded across the muscular chest of Bruce Gehrke, who looked like Mr. Clean with a smirk.

"It's been nice talking to you!" Gehrke would growl when a journalist approached.

Many coaches were afraid of letting high school students speak for themselves. How innocent those fears seem today, when every maker of sneakers and greaseburgers is waiting to sponsor school games.

And school board presidents, superintendents, principals, athletic directors, coaches, parents and local boosters think television tournaments will put a little excitement into their lives. It's got to be more exciting than running a gym class. Or educating children.

Don't get me wrong. I love the intensity of high school sports. I'm hopeful about the return of the New York public schools' basketball final to Madison Square Garden next week, after 17 years.

But I would submit that a state tournament is the natural boundary for high school sports. Let's pass a bus rule. If a team can get there comfortably in a bus, it's tolerable. Sending high school teams winging around the country is an abuse.

There are already so many abuses: intense competition among private schools for "disadvantaged" youth, who usually turn out to be very tall and very fast; recruiting for eighth-graders.

The colleges have become a feeder system for professional leagues, at great cost to integrity. We have coaches accused of sending $100 bills to parents of prospects. We have agents lurking on campus, signing up athletes, who are exploited by taking a pressure job with low pay and few legal rights.

Now this national plague is spreading to the high schools. Athletes are learning that it is acceptable to cut corners to stay eligible.

Teachers will be under pressure to change the grades of flunking students, so the high school can qualify for a tournament. When newspapers start running national ratings of the top 25 high school teams, they are part of the problem.

But television is the big culprit. It will make a lot of high school officials do things they might not have thought of on their own:

Be in Florida on a Wednesday night? Ten thousand for our scholarship fund? Sure, we can get the kids out of class for a few days.

Who will protect children from being exploited? The National Federation, based in Kansas City, Missouri, supposedly represents 89 percent of America's secondary schools. It has traditionally opposed national tournaments, but Brice B. Durbin, the executive director, recently said, "I think times have changed. I'm not as opposed to it as I once was."

When the cable networks offer big money to create national tournaments to fill air time, I'd like to think somebody would stand in the doorway, arms folded, and growl, "It's been nice talking to you!"

BOOKS

THE GRAND FAILURE: The Birth and Death of Communism in the Twentieth Century

By Zbigniew Brzezinski. 278 pages. $19.95. Scribner Book Companies, 866 Third Avenue, New York, N. Y. 10022.

THE COMING SOVIET CRASH: Gorbachev's Desperate Pursuit of Credit in Western Financial Markets

By Judy Shelton. 246 pages. $22.50. The Free Press-Macmillan, 866 Third Avenue, New York, N. Y. 10022.

Reviewed by
Christopher Lehmann-Haupt

BOTH these articulate books attest that the Soviet Union and, by extension, world Communism are now in serious trouble. But they contradict each other in subtle yet provocative ways.

It's simply all over for Communism, writes Zbigniew Brzezinski — formerly President Jimmy Carter's national security adviser and now a professor of government at Columbia University — in his new book, "The Grand Failure: The Birth and Death of Communism in the Twentieth Century."

The Soviet Union itself is in a state of "disunion," its leadership's having finally realized the sterility of the Communist system as set up by Lenin and built upon by Stalin, Brzezinski asserts. Yet by rejecting only the Stalinist past and attempting merely partial measures of reform, Mikhail S. Gorbachev now finds his country in a double bind, the author says. It has "continued to lose its ideological appeal" without gaining "domestically the wide-ranging freedom to recoup through a genuinely systemic reform."

In "The Coming Soviet Crash: Gorbachev's Desperate Pursuit of Credit in Western Financial Markets," Judy Shelton, a research fellow at the Hoover Institute, takes an even closer look at the Soviet Union and declares its crisis to be even more acute than does Brzezinski.

Breaking down the figures of published Soviet budgets since 1970, she reveals that behind their apparently growing surpluses lie annual deficits that represented more than 30 percent of total revenues in 1985, or the equivalent of $180 billion.

To relieve the distress caused by too much money chasing too few goods — which, because prices in the Soviet system are fixed and hence cannot rise, manifests itself as a scarcity of products instead of the more familiar form of inflation — Gorbachev has had two options, Shelton writes. He can improve the productivity of labor, that is, get workers to produce more for the same amount of pay. Or he can improve the productivity of capital, by attracting funds from outside the system.

The extraordinary degree to which Gorbachev has reversed traditional Soviet practice and resorted to borrowing from the West, concludes Shelton, is only further evidence of what desperate trouble his country is in.

But while Shelton and Brzezinski concur on the Soviet Union's difficulties, they disagree over what these troubles imply. Brzezinski believes that the death of Communism is now inevitable. The West can spur along the process of disintegration by promoting the cause of human rights, he suggests. And now that the genie of freedom has been released from the bottle of Communist totalitarianism, he says, it can't ever be forced back in.

Shelton, by contrast, is highly apprehensive about the future threat of Soviet Communism. In the second half of her book, instead of spelling out what she means by the sensational "crash" of her title, she devotes her text to deploring the West's too easy accession to what she calls Gorbachev's devious acquisition of loans. She warns that any form of investment in the Soviet Union can ultimately be used to finance arms.

Whatever the prospects, these two books offer occasion for stimulating thought, if not exactly for celebration.

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

A YEAR ago Jay Feigus of Middletown, New Jersey, apparently set a world record for the oldest winner of a substantial competitive event of any kind. Playing in Pittson, Pennsylvania, with Edwin Utan of Scranton, Pennsylvania, he won a two-session Open Pair Championship at the age of 95.

Ten days ago the record was broken by, who else, Jay Feigus. He returned to Pittson with Utan and they successfully defended their title. The record is now age 96, and Feigus says his partner "played perfectly."

The diagramed deal contributed to their victory. Utan bid the North hand aggressively, pushing the partnership to a borderline six no-trump contract which promised a rich match-point reward. This depended essentially on the location of the diamond king, and Feigus as South was able to make an overtrick when he received a heart lead.

He won with the heart jack, finessed in diamonds successfully and cashed the spade ace. He then led to the heart king, and cashed his spade winners for club discards. Then he was able to revert to diamonds and make all the tricks.

Obviously a club lead would have saved the overtrick, and the same is true of a passive spade lead. An attempt to squeeze East in the black suits fails.

Feigus plans to go back to Pittson next year, to try for a hat trick and break his own record once again.

NORTH (D)
♠A
♡A42
♢AQJ9762
♣K2

WEST
♠1087
♡Q10984
♢K3
♣J84

EAST
♠J9765
♡3
♢104
♣A9653

SOUTH
♠KQ43
♡KJ76
♢85
♣Q76

North and South were vulnerable.
The bidding:

North	East	South	West
1♢	Pass	1♠	Pass
3♢	Pass	3N.T.	Pass
4♣	Pass	4♡	Pass
4N.T.	Pass	5♣	Pass
6N.T.	Pass	Pass	Pass

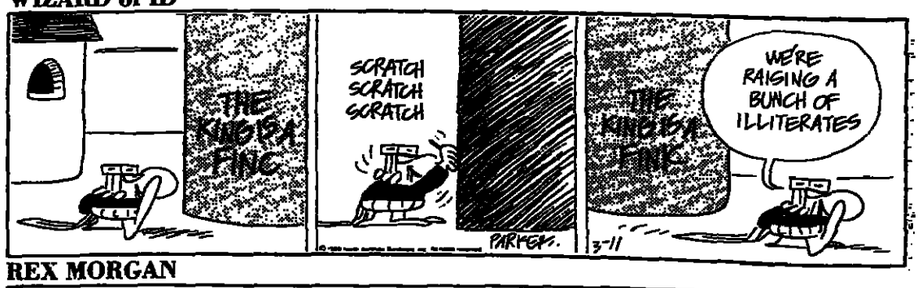
West led the heart 10.

PEANUTS

BEETLE BAILEY

ANDY CAPP

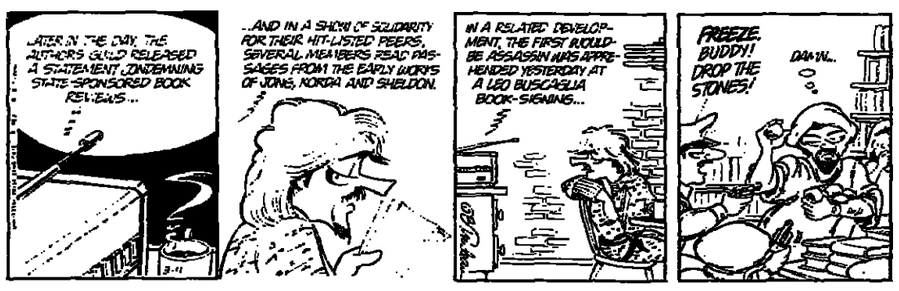
WIZARD of ID



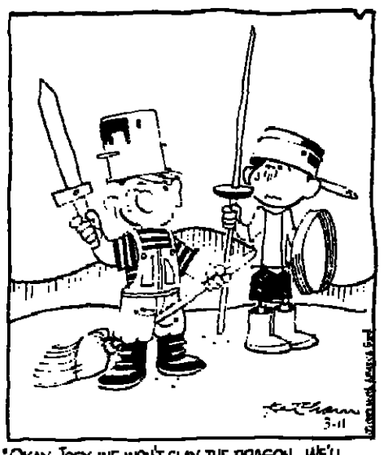
REX MORGAN

GARFIELD

DOONESBURG



DENNIS THE MENACE



JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ROWEB
BEPOR
OPTATE
DILFED

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

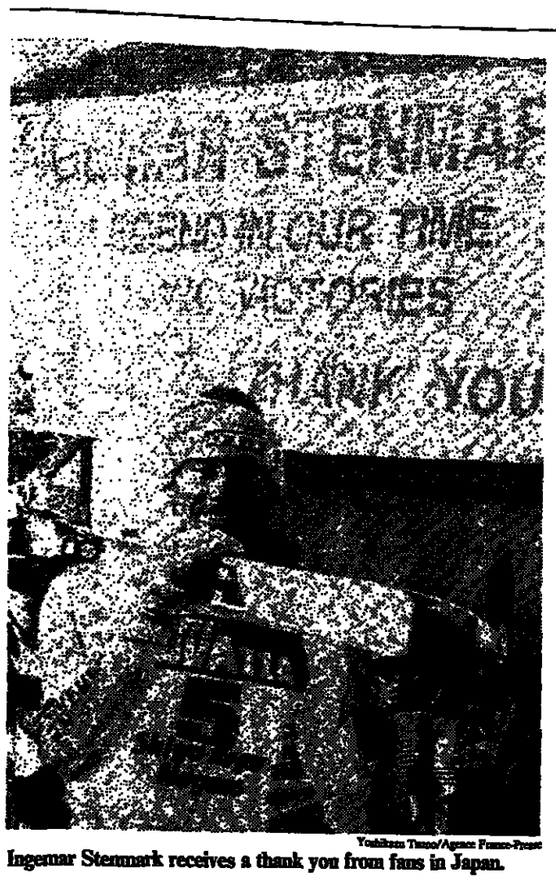
Answer here: _____ _____

(Answers Monday)

Yesterday's Jumbles: ELITE ANNUL FLUNKY COMPEL
Answer: How he got the job—BY "KIN-FLUENCE"

BLONDIE

SPORTS



Yoshikazu Tsuno/Agence France-Presse

Ingemar Stenmark receives a thank you from fans in Japan.

Bittner Takes Title In Men's Slalom

Compiled by Our Staff From Dispatches

SHIGA KOGEN, Japan — Armin Bittner of West Germany clinched the World Cup slalom title on Friday with a strong third-place finish in the final men's race of the year.

The 24-year-old, a slalom specialist with two victories earlier this season, had a total time of one minute, 32.69 seconds. *(See Scoreboard)*

This was 0.37 off the pace set by the winner, Rudolf Nierlich of Austria, but it vaulted Bittner's season point total in the event by 15 points to 117.

Bittner finished ahead of Alberto Tomba of Italy, who picked up 12 points for a total 112 by taking fourth with a combined time of one minute, 32.91 seconds.

The race was held on an icy course with 58 gates in the first run and 56 in the second.

The championship was the first for Bittner, and capped a spectacular year. He placed second in the world championships in Vail, Colorado, last month, and was third in the world championships last year.

He won his first race in December 1986.

"It has been one of the hardest moments of my career," Bittner said afterward. "I was so nervous and confused during the race. It meant a lot for me to win this title, which is the greatest achievement one can reach in our specialty."

Bittner would have lost the title had he finished behind Tomba and his second heat time was only eighth best, but it was quick enough by 0.22 seconds.

"I knew before my second run that Alberto had a good run, and this put a lot of pressure on me," Bittner said. "I had a good start, but I had some problems keeping my rhythm towards the end."

Nierlich, 23, was the winner of the slalom world championship in Vail. His leading performance of one minute, 32.32 seconds gave him fifth place in the slalom standings this season with a total of 65 points.

He confirmed his status as the most successful slalom and giant slalom specialist of this season. He won six events, more than anyone else in the technical events.

"I'm delighted with the victory. Many people wanted to win, and I'm glad it was me," Nierlich said. "It's the last race of the year, so I just tried to prepare myself mentally and concentrate on my skiing."

Marc Girardelli of Luxembourg started at Shiga Kogen on top of the slalom standings with 106 points, but ended third after he dropped out because of a series of mistakes early in the first race.

He had already clinched the overall and downhill World Cup championships and had hoped to emulate Jean-Claude Killy's feat of four titles in one season by taking both the slalom and giant slalom here. Killy won the four in 1967.

He will share third place with Norway's Ole Christian Furuseth, one of the season's hottest newcomers.

Furuseth, who clinched the giant slalom cup on Thursday, finished second on Friday with a total time of one minute 32.61 seconds. That boosted his overall season point total to 188, just one point behind Tomba, who finished third overall.

"I had a great season in slalom —I finished them all in the top 10," Furuseth said. "It may be difficult to be as consistent next year."

Tomba, the sensation of 1987-88 when he won two World Cup titles and two Olympic gold medals, missed the slalom cup by a scant 0.23 seconds.

"I was unlucky again as so often this winter," he said. "I was too slow this morning, I should have fought harder.

"Second place in the slalom standings is not bad, but a win would have changed a lot for me after all the disappointments I had to swallow this year. I may have to train harder before the start of the next season."

The women's slalom is to be held Saturday, with the favorite, Vreni Schneider, attempting a record-breaking 14th victory in one season. *(Reuters, AP)*

Richard Drew/The Associated Press

Tracy Woodson gives a lift to Orel Hershiser during Dodgers workout in Vero Beach, Florida.

Francis Makes Plea For Truth On Drugs

The Associated Press

TORONTO — Ben Johnson's coach, after eight days of detailing steroid use by the sprinter and other Canadian athletes, left the witness stand Friday with a plea for other coaches and athletes to tell the truth about drugs and help clean up the sport.

Charlie Francis, during his testimony before a Canadian commission investigating drugs and sports, said Johnson took steroids since 1981 at his recommendation and knew they were banned.

"I love the sport," Francis said after urging others to follow his lead in exposing the use of banned substances.

He conceded during his testimony that he had turned Johnson and other athletes onto anabolic steroids. He said he did it to keep them competitive with others using the body-building substances.

The coach was the first witness at the hearing which was called after Johnson lost his 100-meter gold medal and world record at the Seoul Olympics when he tested positive for steroids.

Ontario Associate Chief Justice Charles Dubin, who is leading the inquiry, described Francis's account of nearly a decade of steroid use by his athletes as a "very sad story."

The judge said he was concerned that young athletes by learning to cheat in one way are tempted to do so in other areas later in life.

"It's a very dangerous course to embark upon," he said.

The senior commission counsel, Robert Armstrong, announced that the next witness, when the hearing resumes Monday, would be champion woman sprinter Angella Taylor Issajenko.

Francis said she was the first of his athletes to use steroids in 1979 while Johnson and two other male athletes started steroid programs in 1981.

Johnson's lawyer asked Francis on Thursday whether he was aware that Johnson's personal physician detected a mild swelling in the sprinter's left breast in the fall of 1987 and that Johnson told the doctor he did not use steroids.

The coach, who has said repeatedly that he did not believe steroids had harmful side effects at the low doses and regulated cycles in which his athletes used them, replied he did not know about that visit.

Francis has said his main concern was his athletes' well-being, but Johnson's lawyer, in two days of often heated questioning, asked repeatedly how much the coach knew about steroids.

He also repeatedly questioned the coach about Johnson's abilities to understand such concepts as anabolic steroids.

Stenmark: 'I Will Never Think Back'

Reuters

SHIGA KOGEN, Japan — Ingemar Stenmark was undismayed when he failed to finish his final World Cup race on Friday, a reaction that would once have been unthinkable.

And it is precisely because of this lack of disappointment that the Swede, who will be 33 next month, has decided to end alpine skiing's most glittering career.

For the past 16 years, Stenmark has been racing the World Cup circuit, setting records that may never be broken. But, his skin weathered beyond his years, he will not race again next season. His competitive thirst is quenched at last.

"I don't have it anymore. If I win now it's not like before. Ten years ago I wanted to win so badly," Stenmark said in an interview after failing to complete the first run of a slalom here.

In slalom racing, where skiers weave their way through a series of gates while hurtling down mountains at high speed, motivation is more than half the battle.

"In this sport you have to give 100 percent," Stenmark said. "To win requires unbending devotion.

"It's sometimes only hundredths of seconds. If you're one second behind you're maybe tenth or fifteenth."

"It's very hard mentally," added the Swede, who speaks four languages but is a man of few words.

Stenmark will make his final international appearance in a parallel race here on Sunday, capping a career in which he won 86 World Cup races, three overall World Cup titles, two Olympic gold medals and three world championship crowns.

The remarkable career began on March 3, 1974, when he started 73d in the field and finished second in his World Cup slalom at Voss, Norway. In December of that year he posted his first World Cup victory, a slalom at Madonna di Campiglio, Italy.

During his heyday, from 1975 to 1984, Stenmark was always the man to beat in the technical events. He did not lose a single giant slalom in the two years before the 1980 Olympics, scoring 15 straight victories in that discipline.

He competed in a total of 270 World Cup events, finishing nearly two-thirds of them in the top three.

He became a national hero, a living legend whose races, televised live in Sweden, brought the nation to a halt.

He says his most treasured moments came in 1980 when he captured gold medals in the slalom and giant slalom at the Olympics in Lake Placid, New York.

But few triumphs can have been sweeter than when he won a World Cup giant slalom in Aspen, Colorado, last month.

"It was fantastic because this is the last season. It's nice to win a race to show that you can still be good. It was not only to show the people but for me too."

"I was afraid to leave the scene as a loser like other big stars," he said after the victory.

Stenmark believes his career records will be difficult for others to emulate.

"I think it's very hard now to win a lot of races," he said. "One skier can be good in one year and the next year there is someone new who is skiing better."

His closest rival, Pirmin Zurbriggen of Switzerland, is far back with 34 victories, including nine combinations.

In 1980 Stenmark, already a millionaire thanks to commercial endorsements, followed the example of tennis star Bjorn Borg by moving to Monaco, escaping Sweden's high taxes.

In retirement he will continue to earn handsomely, promoting ski products for the Yugoslav firm Elan and for Goldwin of Japan.

"It's time to lead a quieter life, to do what I like most: nothing," said Stenmark.

"It will be great to live a more relaxed life, not to have the pressure that you have to perform well in the race, to have to do well all the time.

"I will never think back."

Ueberroth Prepares for Exit

By Richard Justice
Washington Post Service

FORT LAUDERDALE, Florida — A tanned and relaxed Peter Ueberroth, saying his administration had involved "a lot of substance and not much style," began saying his formal good-byes to baseball Thursday.

Ueberroth's five-year term as commissioner officially will end March 31, and while he insisted he would remain active until then, several times Thursday he referred to his sports career in the past tense and to A. Bartlett Giamatti, his successor, as "the commissioner."

In a wide-ranging interview, he criticized owners for their winter of wild spending, insisted again he knew nothing of a conspiracy to kill free agency and said he hadn't decided on a future career.

Ueberroth also repeated earlier statements by Giamatti that baseball is moving forward on expansion and that a timetable for adding two National League teams would be announced this summer.

He said he hoped franchises would be awarded after a new labor agreement is negotiated next year and that teams would be on the field "in the early '90s."

"I think Bart [Giamatti] has it in hand," he said. "I would be disappointed if, by the conclusion of labor negotiations, there was no plan for naming teams."

Ueberroth, 51, leaves after one of the most controversial and prosperous runs in baseball history. He entered as a self-confessed problem-solver and leaves with that reputation pretty much intact.

One of his final press conferences produced answers that were concise and short of emotion — much as his five years have been. This month ends a 10-year career in sports that began with five as head of the Los Angeles Olympic organizing committee. Where to now?

He said he didn't know, although he acknowledged that several corporations had approached him about high-level positions.

"I have no plans other than, once April 1 gets around, to spend a weekend golfing with three friends," he said. "After that, I'll start looking around, and use my energies to start looking at some opportunities."

He said baseball appealed to him because it was a troubled institution, one beset by drug problems and red tape. Today, it is not, and while Ueberroth made some enemies, he surely must get credit for some of its improvements.

Five years after five teams were losing money or considering relocation, all are making money.

And there's more flowing in. Attendance is at record levels. Ueberroth's management team recently negotiated a four-year, $1.08-billion deal with the CBS network and a four-year, $400-million contract with the ESPN sports cable. Licensing and merchandising revenues, which were zero when Ueberroth took over, are soaring.

He said he would again warn owners, who are meeting here for two days, about curbing spending.

Although owners have three times been found guilty of conspiring to end free agency, Ueberroth said it wasn't the threat of monetary damage awards that worried them.

"It was the new TV contracts," which don't take effect until 1990, he said. "They've been very good at spending money before they have it. When I came here, they spent a lot of money before they had it."

After the 1984 season, the free-agent market was alive and well, but after the 1985, 1986 and 1987 seasons, it was virtually nonexistent. Arbitrators have ruled the owners guilty of collusion, and millions of dollars in fines probably will be rewarded.

"They can spend their money however they please," he said. "It's a free society. To the arguments of whether they acted in concert or not, they didn't with me. I don't believe there's any way they went into any room and made any agreement in any way, shape or form.

"I'm not criticizing the arbitrator. He makes his decision based on facts. I think the union side organized the facts very effectively, but I don't think these people could agree on anything significant."

He ticked off his accomplishments one by one: The game is profitable; ticket prices have risen by an average of only 60 cents; stadiums have non-alcohol sections; his marketing, licensing and corporate sponsorship departments have a framework for profits in place that should serve the game for years.

He said baseball had been something that he loved, as well. He will continue to attend games, both in his native Los Angeles and in New York, where he will keep a second residence.

"If you look back at these five years, there was a lot done," Ueberroth said. "They weren't a lot of fun and they didn't affect the field of play. There's a right person for a right time in every institution's history, and what I think I was able to do was attract some people and some ideas into the game."

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division	W	L	Pct.	GB
New York	40	19	.678	—
Philadelphia	33	27	.550	7½
Boston	29	30	.492	11
Washington	26	32	.448	13½
New Jersey	23	38	.377	18
Charlotte	15	44	.254	25
Central Division				
Cleveland	44	15	.746	—
Detroit	41	16	.719	2
Milwaukee	37	19	.661	5½
Atlanta	36	24	.600	8½
Chicago	34	24	.586	9½
Indiana	16	42	.276	27½

WESTERN CONFERENCE

Midwest Division	W	L	Pct.	GB
Utah	37	23	.617	—
Houston	32	26	.552	4
Dallas	31	27	.534	5
Denver	32	28	.533	5
San Antonio	15	44	.254	21½
Miami	8	50	.138	28
Pacific Division				
L.A. Lakers	41	18	.695	—
Phoenix	37	21	.638	3½
Seattle	34	22	.621	4½
Golden State	34	24	.586	6½
Portland	28	28	.517	10½
Sacramento	16	44	.267	25½
L.A. Clippers	11	49	.183	30½

THURSDAY'S RESULTS

Sacramento 18 26 26 26— 96
Philadelphia 34 30 27 25—186

Barkley 8-12 8-10 25, Anderson 8-16 2-2 18; Tisdale 10-17 6-7 26, Ainge 6-15 8-10 18, K.Smith 7-17 4-6 18. Rebounds: Sacramento 48 (Tisdale 15), Philadelphia 55 (Gminski 12). Assists: Sacramento 22 (K.Smith 5), Philadelphia 27 (Henderson 7).

Cleveland 26 26 29 23—104
Golden State 28 33 32 26—120

Richmond 12-26 11-11 38, Mullin 8-19 5-6 21; Price 13-20 5-5 37, Dougherty 6-12 8-12 20. Rebounds: Cleveland 55 (Dougherty 11), Golden State 69 (Richmond, Tisdale 9). Assists: Cleveland 22 (Price 10), Golden State 24 (Richmond 6).

New Jersey 19 22 22 34— 98
San Antonio 22 24 32 33—112

Robertson 12-16 5-5 29, W.Anderson 10-18 4-4 24; Hilton 8-18 4-4 20, Carroll 6-8 5-6 17. Rebounds: New Jersey 48 (Carroll 6), San Antonio 38 (G.Anderson 10). Assists: New Jersey 18 (Bowles 5), San Antonio 29 (Dawkins 9).

Selected College Scores

Indiana 75, Wisconsin 64
Michigan 88, Northwestern 79
Purdue 83, Ohio St. 53

TOURNAMENTS

Atlantic 10 Conference Championship
Rutgers 70, Penn St. 66

Big East Conference First Round
Boston College 81, St. John's 74

Big Sky Conference First Round
Montana 87, Montana St. 84, OT
Weber St. 69, Nevada-Reno 61

Big West Conference First Round
Fullerton St. 87, Utah St. 84, OT
Nev.-Las Vegas 102, UC Irvine 82
New Mexico St. 68, Fresno St. 59
UC Santa Barbara 69, Long Beach St. 57

ECAC North Atlantic Conference First Round
Boston U. 94, Niagara 58
Hartford 75, Canisius 57
Northeastern 65, Maine 59
Siena 61, Colgate 51

Midwestern Collegiate Conference First Round
Dayton 77, Detroit 54
St. Louis 68, Butler 64
Xavier, Ohio 85, Loyola, Ill. 83

Ohio Valley Conference Championship
Middle Tenn. 82, Austin Peay 79

Pacific-10 Conference First Round
Southern Cal 94, Arizona St. 82
Washington St. 78, Oregon 56

Southeastern Conference First Round
Georgia 83, Mississippi St. 68
Mississippi 86, Auburn 68

Trans America Athletic Conference Championship
Ark.-Little Rock 100, Centenary 72

Western Athletic Conference Quarterfinals
Colorado St. 52, Utah 50
Hawaii 72, Brigham Young 69
New Mexico 74, Air Force 60
Texas-El Paso 88, Wyoming 81, 2OT

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts	GF	GA
NY Rangers	34	27	8	76	274	254
Washington	33	26	10	76	251	222
Pittsburgh	33	28	7	73	297	291
Philadelphia	31	31	6	68	258	238
New Jersey	24	33	12	60	246	283
NY Islanders	22	41	5	49	227	283
Adams Division						
xy-Montreal	47	16	7	101	274	195
Boston	31	25	12	74	248	216
Buffalo	31	31	6	68	251	267
Hartford	31	32	4	66	249	243
Quebec	24	40	6	54	239	305

CAMPBELL CONFERENCE

Norris Division	W	L	T	Pts	GF	GA
Detroit	31	27	11	73	225	272
St. Louis	25	32	11	61	229	249
Chicago	22	33	12	56	261	283
Minnesota	22	31	14	58	219	248
Toronto	23	40	6	52	212	286
Smythe Division						
x-Calgary	46	15	8	100	303	196
Edmonton	35	28	7	77	291	244
Los Angeles	35	27	6	76	333	293
Vancouver	29	33	7	65	277	316
Winnipeg	21	35	11	53	251	302

(x-clinched playoff berth)
(y-clinched division title)

THURSDAY'S RESULTS

N.Y. Rangers 0 1 1—2
Detroit 0 1 2—3

Barr (25), Chiasson (9), Burr (16); Lafreniere (7), Wilson (25). Shots on goal: New York (on Stefan) 3-9—21; Detroit (on Vanbiesbrouck) 13-20-13—45.

Washington 4 0 3—7
Boston 1 1 0—2

Hunter (16), Ridley (35), Wickenheiser (2), Courtnall 3 (35) Pivonka (5); Hawgood (12), Carpenter (14). Shots on goal: Washington (on Moog) 12-10-8—30; Boston (on Peeters) 12-12-7—31.

Philadelphia 1 1 2 0—4
N.Y. Islanders 0 3 1 0—4

A.Kerr 2 (15), Volek (22), Dineck (8); Bullard (22), McEnaby (19), Tocchet (36), T.Kerr (41). Shots on goal: Philadelphia (on Fitzpatrick) 12-12-13-2—39; New York (on LaForest) 9-15-13-1—38.

Toronto 1 0 0—1
St. Louis 2 2 0—4

Hull (32), Federko (28), Pasiowski (23), Ronning (18); Marois (25). Shots on goal: Toronto (on Millen) 5-9-3—17; St. Louis (on Reese) 9-10-12—31

Montreal 2 0 3—5
Quebec 1 1 0—2

Robinson (4), Keane (14), Chelios (14), Courtnall (18), Skrudland (9); Brown (18), Gillis (17). Shots on goal: Montreal (on Tupnuit) 13-8-4—27; Quebec (on Hayward) 10-18-9—37.

Pittsburgh 1 0 2— 3
Calgary 3 3 4—10

Otto (28), Loob 2 (23), Mullen (43), Patterson (14), MacInnis (14), Hrdina (28), McDonald (7), Nieuwendyk 2 (48); Errey (22), Stevens (5), Laney (9). Shots on goal: Pittsburgh (on Vernon) 8-7-11—26; Calgary (on Young, Barrasso) 18-12-14—44.

SKIING

World Cup

(In Shiga Kogen, Japan)
MEN'S SLALOM

1. Rudolf Nierlich, Austria, one minute, 32.32 seconds.
2. Ole Christian Furuseth, Norway, 1:32.61.
3. Armin Bittner, West Germany, 1:32.69.
4. Alberto Tomba, Italy, 1:32.91.
5. Pirmin Zurbriggen, Switzerland, 1:33.08.
6. Jonas Nilsson, Sweden, 1:33.18.
7. Guenther Mader, Austria, 1:33.30.
8. Peter Roth, West Germany, 1:34.00.
9. Paul Frommelt, Liechtenstein, 1:34.15.
10. Michael Tritscher, Austria, 1:34.31.

Final World Cup Slalom Standings

1. Bittner, 117 points.
2. Tomba, 112.
3. Marc Girardelli, Luxembourg; Furuseth, 106.
5. Nilsson, 70.
6. Nierlich, 65.
7. Tritscher, Austria, 54.
8. Bernhard Gstrein, Austria, 51.
9. McGrath, 43.
10. Frommelt, 42.

Final World Cup Standings

1. Girardelli, 357.
2. Zurbriggen, 309.
3. Tomba, 189.
4. Furuseth, 188.
5. Markus Wasmeier, West Germany, 166.
6. Nierlich, 144.
7. Bittner, 127.
8. Helmut Hoefkhner, Austria, 126.
9. Daniel Mahrer, Switzerland, 114.
10. Hubert Strolz, Austria, 112.

Stenmark Year-by-Year

The year-by-year record of Ingemar Stenmark of Sweden, the winningest racer in the history of Alpine skiing, who retired Friday after 16 seasons on the World Cup tour:

Year	Races	Wins	Top-3
1974	7	0	4
1975	15	5	12
1976-x	14	6	11
1977-x	20	10	14
1978-x	14	7	12
1979	20	13	17
1980	16	11	14
1981	22	10	19
1982	18	5	12
1983	20	5	11
1984	20	7	10
1985	17	0	4
1986	23	4	8
1987	16	2	5
1988	14	0	1
1989	14	1	1
	270	86	155

(x-won World Cup overall title)

SOCCER

WORLD CUP QUALIFYING
North Yemen 0, Syria 1

TRANSITION

BASKETBALL
National Basketball Association

NBA—Named Tom "Satch" Sanders director of community and player programs; named Carolyn Blitz director of corporate affairs; named Steve Martin community relations director.

BOSTON—Signed guard Kelvin Upshaw to 10-day contract; put center Ramon Rivas on injured list.

FOOTBALL
National Football League

DENVER—Signed free agent linebacker Blake Peterson to series of 1-year contracts; agreed to terms with free agent running back Kerry Goode.

GREEN BAY—Signed tight end Gary Wilkins and linebacker Kurt Crain, free agents.

NEW ENGLAND—Signed free agent kicker Greg Davis.

Reuters-UPI

Terry Bross and Mets teammates shiver in the dugout in unseasonal weather in Kissimmee, Florida.

Bob Horner Calls It Quits

The Associated Press

MIAMI — Bob Horner's, the injury-riddled baseball slugger, finally decided that there were other things in his life that outweighed risking any sort of permanent disability. So he has announced his retirement.

"I've got children I want to raise and teach sports to," Horner said in a new conference Thursday. "The last thing they need is a crippled father."

Horner, 31, said he was retiring because his left shoulder, operated on last season, had not healed sufficiently and kept him from "performing at my capabilities."

"I'm leaving with nothing but smiles on my face," Horner said. "The thing I'll miss most is being around the guys in the clubhouse."

Horner was trying to make the Baltimore Orioles as a nonroster free agent after not being offered a contract by the St. Louis Cardinals, for whom he played last season. The Orioles invited Horner to camp on Feb. 23 and he reported two days later.

The right-handed hitter who spent his best years with the Atlanta Braves hit 218 home runs in 10 major league seasons that seemed an unending stream of injuries. He played one season in Japan.

He underwent surgery on his left shoulder after the 1978 season. He broke a bone in his right wrist in 1983 and rebroke it a year later. He also injured his left shoulder early in the 1984 in a collision at home plate with Houston catcher Tom Wieghaus.

His season last year was cut short by problems with his left shoulder. He wound up 1988 with three home runs, 33 RBI and a .257 batting average in 60 games with the Cardinals.

In all, Horner played more than 130 games twice in his career. Injuries limited him to no more than 79 games three times.

"Stepping down from professional baseball is the toughest thing for a baseball player to do," Horner said. "You always think you can still do it. I still do. I just had to come down here and find out. You can't sit at home in a chair and make that kind of decision."

Horner said the shoulder was still stiff and full of pain and kept him from "driving the ball."

Playing in Quarantine, to the Sounds of Silence

By Peter Alfano
New York Times Service

HARTFORD, Connecticut — The elevator stopped on the lowest level of the parking garage of the Civic Center: a downtown shopping mall and the site of the Hartford Coliseum. A quick glance to the left, then the right, revealed that no one was around. That was good. It would be better to be as inconspicuous as possible.

"When you get off the elevator, walk toward the front of the garage until you see, 'Pickups and Deliveries,'" the security guard on the upper level had said. "Go in through that door."

Sure enough, a handwritten sign taped to a door was clearly visible, saying this was where the players and members of the news media should enter.

No secret password was necessary but there were a couple of questions visitors had to answer before being allowed in.

"Do you have identification?" a security guard wanted to know. "And do you have proof of age?"

As if the various collegiate post-season conference basketball tournaments do not already provide enough bizarre twists, the ECAC North Atlantic Conference played its first round in virtual privacy Thursday.

An outbreak of measles at Siena College in early February and a subsequent case at the University of Hartford made these tournament games off limits to spectators. One player from Siena and one from Hartford caught the disease.

Although the players on all eight teams in the conference have been vaccinated, medical authorities are concerned that, because measles is so contagious, students who are carrying the disease might spread it if they were allowed to attend these games.

So the quarantine signs were posted and fans, pep bands and cheerleaders remained home. The crowd Thursday consisted of reporters, photographers and a jury of the players' peers from the other teams.

Contrary to what some people might have imagined, the players did not wear surgical masks and gloves, nor were they forced to wash their hands every time they handled the ball.

Journalists, school officials and players were allowed, provided they brought medical records showing they had been vaccinated or, in the case of journalists and school officials, identification showing they were over the age of 35.

People over 35 are considered to be immune because virtually all of them were either exposed to the disease or had it.

"We've been told that between 1954 and 1980, the measles vaccine wasn't strong enough," said Joe Baker, the Colgate coach. "I think I had measles when I was a kid but I'm old enough, anyway. I've become something of a pseudo-measles expert during the past month."

According to the Centers for Disease Control in Atlanta, a total of 435 cases of measles were confirmed across the United States between Jan. 1 and Feb. 27, compared with 265 cases for the same period last year.

Schools in the North Atlantic Conference are from six states, each with different laws specifying the incubation period of a contagious disease. In Connecticut, it is 21 days.

"Every time the telephone would ring for the past month, I'd wonder if it was news that one of our players had measles or that we weren't allowed in a certain state," Baker said.

As of Thursday, however, only Siena and Hartford have had cases of measles on campus.

Because the main Coliseum entrance is on the first level of the mall, officials decided to use the service entrance. The doors were locked and the only people milling about were teen-agers coming to see Vanessa Williams, the former Miss America and now a rhythm-and-blues singer, who was appearing in the mall.

In the arena, Colgate was playing Siena, the regular-season champion, in the first game Thursday morning. Siena won, 61-51, improving its record to 22-4. The teams had met only Sunday in another quarantine game.

Siena, in fact, has played seven times to the sounds of silence since a student vacationing in Puerto Rico came down with measles on Feb. 10.

"At first it was different, new," said Marc Brown, a sophomore guard averaging 19 points. "But now, it's starting to wear on me. I'm a little flashy; I like to make a nice pass and hear the crowd cheer. But no one cheers."

Steve McCoy, the Siena center, tried to see the positive side. "We've played so much without a crowd that now it works in our favor," he said. "Still, I miss the fans. With them, it makes it much more fun."

The winner of the tournament earns an automatic bid to the National Collegiate Athletic Association playoffs.

Siena, the favorite, has been cleared to play before spectators on Saturday, although Hartford is still under quarantine. Boston University has a good chance to win this tournament, too.

POSTCARD

The Mayerling Mystery

By Serge Schmemann
New York Times Service

MAYERLING, Austria — One hundred years ago, the heir to the Austro-Hungarian throne brought a 17-year-old mistress to his hunting estate in this sylvan village, shot her through the head and turned the gun on himself.

Or did he?

Was Prince Rudolf murdered, as die-hard monarchists hold? Or was he really killed in a drunken brawl with the uncles of his mistress, young Mary Vetsera? Or did he shoot himself when Mary bled to death after a secret abortion? Was he deranged, as his father declared? A drug addict? Syphilitic?

With the 100th anniversary of the deaths at Mayerling, one of Austria's most durable mysteries has been revived with the sort of fascination the Austrians lavish on the juiciest of scandals. A stack of new books and a television program have reopened all the old theories and added a few new ones.

"Before, there were 20 versions and now there are 60," lamented Martha Rossler, who acts as guide for the visitors to the Carmelite convent established by Emperor Franz Joseph on the site of the rustic manor, 20 miles (about 30 kilometers) south of Vienna, where his son and heir killed and died.

For a small country steeped in the grandeur of a vanished empire whose magnificent vestiges and myths still dominate the land, Mayerling is a memorial to an extraordinary tragedy and scandal.

The 100th anniversary was accompanied by a dollop of *glasnost*. Hungary, whose Communist leaders have shown a revived interest in their imperial legacy, co-produced a television documentary on Prince Rudolf for the anniversary.

So intense was the renewed curiosity that the Roman Catholic Church and the Habsburg family had to intercede to prevent the body of Mary Vetsera from being exhumed to check if she was, as the prevalent version goes, shot through the left temple.

The anniversary was also the occasion for an international conference on suicide at Mayerling. It was attended by historians, psychiatrists and others, who concluded that Prince Rudolf did kill the girl and himself in a suicide pact brought on by his despair over his father's imperial policies and over his syphilis, which he had given his wife, Stephanie.

The Habsburg family has generally refused comment on the deaths or to make public any materials, although Empress Zita, 97, the widow of the last emperor, and the staunch monarchists have rejected the notion that a Habsburg would kill himself, and insist that Rudolf was murdered.

The speculation has been sustained by Emperor Franz Joseph's unsuccessful attempt to still the furor by suppressing the findings of an inquiry he ordered, as well as the letters Prince Rudolf wrote before he died — including, the story goes, farewell letters to relatives, friends and his wife, and a love letter to another mistress who had rejected an invitation to share his death.

□

Of the new hypotheses, the most inventive has to be that of Clemens M. Gruber, an opera archivist in Vienna, who postulated in his book "The Fateful Days of Mayerling," that the prince was shot by relatives of Mary Vetsera who broke into their room after a drinking party.

Then there is Gerd Holler, a physician who argues in "Mayerling: New Documents on the Tragedy 100 Years Later," that Prince Rudolf had arranged an abortion for Mary, and committed suicide after she bled to death.

The version generally considered most authoritative is that of Brigitte Hamann, a historian who described the heir in her book, "Rudolf, Crown Prince and Rebel," as a progressive thinker thrown into despair by the policies of his autocratic father and the conservative court, as well as by the syphilis.

"Oh no, you're not going to make me talk about Mayerling again," Hamann exclaimed to an inquiring reporter. "There really is no new information, only the old things retold again and again. The fact is he killed the girl first and then shot himself."

The emperor never denied the suicide, she said. But to insure his son a Roman Catholic funeral, he had to assure the pope that the prince did not kill the girl, and that he shot himself "in a deranged state of mind."

The Vatican accepted the version, and Rudolf lies with 137 other Habsburgs in the imperial vault in Vienna.

Zandra Rhodes: Designer Shows Another Side

By Suzy Menkes
International Herald Tribune

LONDON — "I think I was a very lucky person because time went with me and took me on its wing," says Zandra Rhodes, a child of the 1960s whose career has stayed in flight.

Rhodes is known for her work-of-art fashion designs. Next month, a New York gallery will launch her as an artist, showing the decorative paintings that she has done for 15 years as a secret pleasure.

"I did it to replenish myself," she says of the limpid watercolors washing over neat designs. Some are fashion illustrations: A white cactus laid on a lagoon-blue ground was inspired by a visit to Australia; a field of stylized lilies sprouted as a fabric print. Rhodes started her fashion career as a textile designer, and it remains her strength.

The paintings started in a garden in Sardinia in 1974, as Rhodes looked at vegetation thrusting through a stone path. That developed as a face traced through a network of greenery — a theme taken up for another fanciful Egyptian head, with attenuated gold face and a Cleopatra eye painted in a sunburst of Nile blue.

The 50 watercolors and four limited edition prints will be launched by the Dyansen Corporation, which has two outlets in New York's SoHo and other galleries across the United States, and will open in Tokyo in the fall.

"We are very excited about Zandra's original paintings," says Dyansen's director, Harris Shapiro. "We will also bring out limited edition jewelry as we have done with Erté. We feel that Zandra is his natural successor."

Rhodes is proud of such comparisons, but not overconfident.

"I find it very rewarding," she says. "If it is also monetarily rewarding, I shall only be pleased. Of course it would be wonderful to fit into a frame like Erté or Charles James. You just have to hope that you are one of those that history points out."

Rhodes is in her west London studio, a rickety building that she kept — after her fashion business expanded to a bigger factory — out of nostalgia and the realization that she needed a private place to work. In fat notebooks is an archive of the designs she has done over a quarter of a century.

On the walls are the drawings of the collection that she will show to press and buyers Saturday during the London Fashion Week.

Because she has never compromised her quirky, individual and artistic beliefs, Rhodes has become an icon of the 1960s for a new generation. She has lectured at London's Royal College of Art, where she was a student, and will talk at the Parsons School of Design in New York in April about those heady, carefree days when fashion was a wellspring of social change and designers, as much as what they created, were part of the cult.

"I identify myself as part of the 1960s and lucky to have been there," she says. "It was an extraordinary period. Everyone was looking forward and thinking optimistically about the future. I think that there was also a certain amount of joy — and not just for our age group. It is so different from the fanaticism of today. At the moment the world just feels so much more serious."

In fact, the current mood of young London reeks of the hedonism of the 1960s as street style revives the happy hippie years.

Rhodes turns 50 next year and she has moved from being wacky to establishment. She has made dresses for both the Princess of Wales and for the Duchess of York, and admits that she is currently much in demand in the United States for dressing the mother of the bride.

"I produce absolutely beautiful dresses, but because my handwriting is so strong, people do not see them as different from one season to another," she says. "I feel that I am an artist working in a fashion environment. I hope my dresses are classics like a Fortuny or a Chanel suit."

Jonathan Player

Zandra Rhodes and one of her works.

Her biggest market is in the United States, where high clients include Victoria Principal, Gloria Vanderbilt and Carole Bayer. She is proud to be the top scoring designer at Neiman Marcus for personal appearances and to know half her clients personally. Her trunk shows keep her on the road for up to six months each year.

Part of that crushing workload seems willful — partly, perhaps, because of an inability to delegate. She has a successful business, but says that it is impossible, from a British base, to build up a fashion empire on the European or American model. She designs wallpaper, jewelry, hose, and has recently created a collection of Eastern designs for the Indian and Asian markets.

She sees it as an accident of fate that her personal life has not produced an ideal business partner.

"I can't think of a single fashion business that wasn't built up from a relationship," she says, citing Yves Saint Laurent and Pierre Bergé, and Bernard and Laura Ashley.

"It didn't happen that I had a relationship that turned into that," she says. "My problem is that I am such a strong person. I've worked on my collections through tears — at the end of the day, it's all you've got."

Now she has the painting, a hobby turned profession that might, one day, give her the absolute artistic freedom that all fashion creators crave.

In her own person, Rhodes remains stubbornly whimsical — her denim dress wildly printed and worn with fancy ankle socks. Her signature pink hair, which long pre-dates punk, now looks not shocking, but wispy and wild, like the mane of an untidy child.

"I keep wondering," she ruminates, "with the spirit that is in the world now, will I end up dyeing my hair a normal color?"

PEOPLE

Master Spy Is an Author

Markus Wolf, who worked for 29 years in a world of secrecy as East Germany's espionage chief, took to a stage in Berlin to read from his first book "Troika" and to answer questions from Western journalists. "Making public appearances has not been my specialty over the years," the 66-year-old Wolf quipped, referring to the years he was head of the Ministry of State Security's foreign intelligence operations. The book recounts a friendship among three men who meet in Moscow in the 1930s. It contains frank descriptions of the horrors of the Stalin era. Many passages support Soviet **President Mikhail S. Gorbachev**'s reform policies.

□

The Kiwanis Club of Little Havana in Miami has banned the singers **Denise de Kalafe**, a Brazilian, **Andy Montanez**, a Puerto Rican, and **De Raymond**, a Spaniard, from appearing at the club's Cuban-American festival because they had performed in Cuba. De Kalafe denounced **President Fidel Castro** at a news conference. But the Kiwanis members said that the act of singing in Cuba is pro-Castro, since the government sponsors events and approves invitations.

□

Senator Jake Garn, Republican of Utah, who flew aboard the Discovery space shuttle in 1985 as a congressional observer, has used the spacecraft as grist for his first novel, "Night Launch." The plot involves a terrorist hijacking of a space shuttle flight. The book, co-written with **Stephen Paul Cohen** and published by William Morrow, will be released April 24.

□

Queen Elizabeth II addressed a joint session of the House of Assembly and the Senate in a ceremony marking the 350th anniversary of Barbardos's Parliament. Crowds gathered Thursday in Bridgetown and cheered the queen and **Prince Philip**. . . . The queen gave her youngest son, **Prince Edward**, a special 25th birthday present Friday — his first royal honor as a Commander of the Royal Victorian Order, which was instituted in 1896 by **Queen Victoria**.

□

George F. Will, the columnist and TV commentator, has resigned as a University of Maryland regent under pressure, but **Governor William Donald Schaefer** said he is ready to accept Will's departure. The Evening Sun of Baltimore has reported that Will attended none of the seven meetings since he was appointed last July. Schaefer said he made the appointment with the understanding that Will wouldn't be able to attend all the meetings.

□

The choreographer/director **Jerome Robbins** is eligible for a Tony Award nomination as director of his "Jerome Robbins' Broadway," the biggest hit of the theater season. An awards administration committee ruled the show also can be nominated for best musical, but its choreography, sets and costumes are ineligible because they "substantially duplicated those in other productions." The show is a cavalcade of dances from 11 of Robbins' musicals. The nominations will be announced May 8.

□

Joe Clark, the Paterson, New Jersey, high school principal whose controversial no-nonsense discipline is portrayed in the film "Lean on Me," has been ordered suspended because he arranged a school assembly at which four strippers performed. Clark, who was not there for the assembly, said he never expected the group he hired to perform the number. School officials stopped the show in the middle when it became too explicit. The school board must ratify the suspension.

□

Johnny Carson says it was a meteorological quirk that made him sign for another year to host "The Tonight Show." Carson, 66, will celebrate his 27th anniversary as the show's host on Oct. 1. "Last year I made a foolish mistake," he said Wednesday night about a talk with **Brandon Tartikoff**, president of NBC Entertainment. "I said to him I'll do this another year when it snows in Malibu. It snowed in Malibu so here we are."

□

The East German composer **Hans Thielmann** has composed a half-hour symphony inspired by the Beatles pop group. A youth orchestra and a rock group are rehearsing the work, which combines elements from Beatles tunes and classical themes, for its premiere next month in Rostock.

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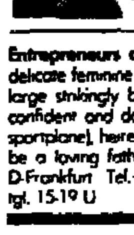

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Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.

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